MATSA
RESOURCES

ANNUAL REPORT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2026

DIRECTORY

Directors

Paul Poli	Executive Chairman and Managing Director
Graham Ascough	Non-Executive Director
Robert Ryan	Non-Executive Director
Leonard Lau	Non-Executive Director
Andrew Chapman	Non-Executive Director

Company Secretary
Andrew Chapman

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Dear Shareholder,

In my last Chairman's Report, I noted that Matsa continued its focus on advancing the Lake Carey Gold Project by undertaking substantial drilling within the project area with a specific focus on drilling at Fortitude North and further developing our understanding of new prospects within the Lake Carey project area. The Devon Pit Gold Mine ("Devon"), was also in focus with the lead-up culminating in mining operations commencing at Devon in July 2025. This was followed by the maiden gold pour in September 2025 at FMR's Greenfields Mill in Coolgardie.

Pleasingly, there were some very exciting intercepts returned from the drilling at Fortitude North to date which augurs extremely well for the significant exploration potential that we feel exists at Fortitude North and naturally, it will remain a key focus going in to the new financial year and beyond.

Notably after lengthy discussions with AngloGold Ashanti ("AngloGold") concerning a transaction over the Lake Carey Gold Project, an Option Agreement was entered into whereby AngloGold were granted an 18-month period to explore the project and elect whether or not to acquire certain tenements at the agreed acquisition price. Matsa has already received $5M from AngloGold for the Option with other milestone payments to be made during the Option period.

AngloGold has already identified the key tenements it is interested in and has returned to Matsa all the tenements that hold Matsa's existing resources. That now gives Matsa the ability to progress those returned areas in its own right and evaluate the numerous opportunities within the Lake Carey Gold Project for its own benefit.

During the year Matsa continued to build on its Thailand lithium assets. Matsa continues to receive strong government support to explore for and develop mineral projects in Thailand.

While challenges remain including determining the future of the Devon Gold Project with its below than expected gold production and disappointing outcomes from Blue Cap Mining, Matsa will continue its disciplined approach towards all of its activities with the expectation that rewards from this disciplined and hands on approach will become evident in the year ahead.

I would like to thank all those that are part of the Matsa team for their hard work and support throughout the year. In particular, I would also like to welcome the new additions to the Matsa board and deeply thank the contributions from Andrew Chapman and Pascal Blampain for their tireless energy along with the remaining senior management and the team both in Perth and Thailand.

PAUL POLI
EXECUTIVE CHAIRMAN

SUMMARY – DELIVERING STRATEGY AND GROWTH

This year, Matsa Resources Limited ("Matsa" or the "Company") and its controlled entities (the "Group") continued to focus on the development of the significant resource potential at its flagship Lake Carey Gold Project ("Lake Carey", refer Figure 1) with mining operations ongoing at the Devon Pit Gold Mine ("Devon") and a significant exploration drilling program underway at Fortitude North.

At Devon, ore is mined and stockpiled on site and later hauled to FMR's Greenfield's processing plant on a campaign basis for processing. Once processed, gold Doré is then shipped to the Perth mint for refinement. Three processing campaigns of Devon ore were completed during the reporting period in September 2025, January 2026 and June 2026.

On the exploration front, Matsa completed 4,300m of diamond drilling at Fortitude North being part of a planned 10,000m program kick starting the Company's growth ambitions to increase the gold resources at Lake Carey beyond the current 1Moz in resources.

At the corporate level, Matsa's neighbour AngloGold Ashanti ("AngloGold"), commenced exploration drilling under the Tenement Option Agreement ("TOA") over the Lake Carey Gold Project. Under the TOA, AngloGold have the right to explore, until 20 December 2026, and then has an option to acquire a 5 tenement package of approximately 21km$_2$, in the southwest of the Lake Carey Gold Project any time prior to the 20 December 2026. In December 2025 and then again in June 2026, AngloGold paid non-refundable option instalment fees of $1.5M (total $3M) under the TOA.

In Thailand, the Company has continued to make inroads in establishing a robust lithium exploration project in the granite belt of western Thailand, where the Company has strong government support to progress both exploration and mining opportunities. Matsa has also identified significant rare earths potential within its tenement package, however the projects remain on the back burner whilst Matsa focusses on gold production and exploration in Western Australia.

With a Company focus on resource growth at Lake Carey and a corporate level transaction with AngloGold now afoot, Matsa has maintained a disciplined approach to exploration and use of its cash reserves. A summary of achievements over the past 12 months include:

- Gold ore mining, processing and sales of gold from the Devon operation
- AngloGold Ashanti, under the TOA commenced exploration drilling on M39/599 completing in excess of 12,000m of drilling as well as a number of environmental studies
- At Fortitude North an initial 10,000m diamond drilling exploration program has commenced where assay results continue to support modelled multiple stacked lode mineralisation
- In Thailand new exploration results demonstrate REE potential in addition to the already identified widespread lithium occurrences

Plate 1 - Devon Pit Gold Mine – Photo taken 4 July 2026

Plate 2 - Lake diamond drilling at Fortitude North – Photo taken 15 July 2026

Matsa's key asset is its 100%-owned Lake Carey Gold Project, located approximately 40km south of Laverton and approximately 250km north-northeast of Kalgoorlie in Western Australia (Figure 1). The project is situated in the heart of an active and prospective gold mining district that hosts several multi-million-ounce gold mines including Goldfield's Wallaby gold mine, AngloGold's massive Sunrise Dam operation and Northern Star's Carouse Dam operations located a little further south. This year, Matsa added its Devon Pit Gold Mine to the list of producing mines in the district.

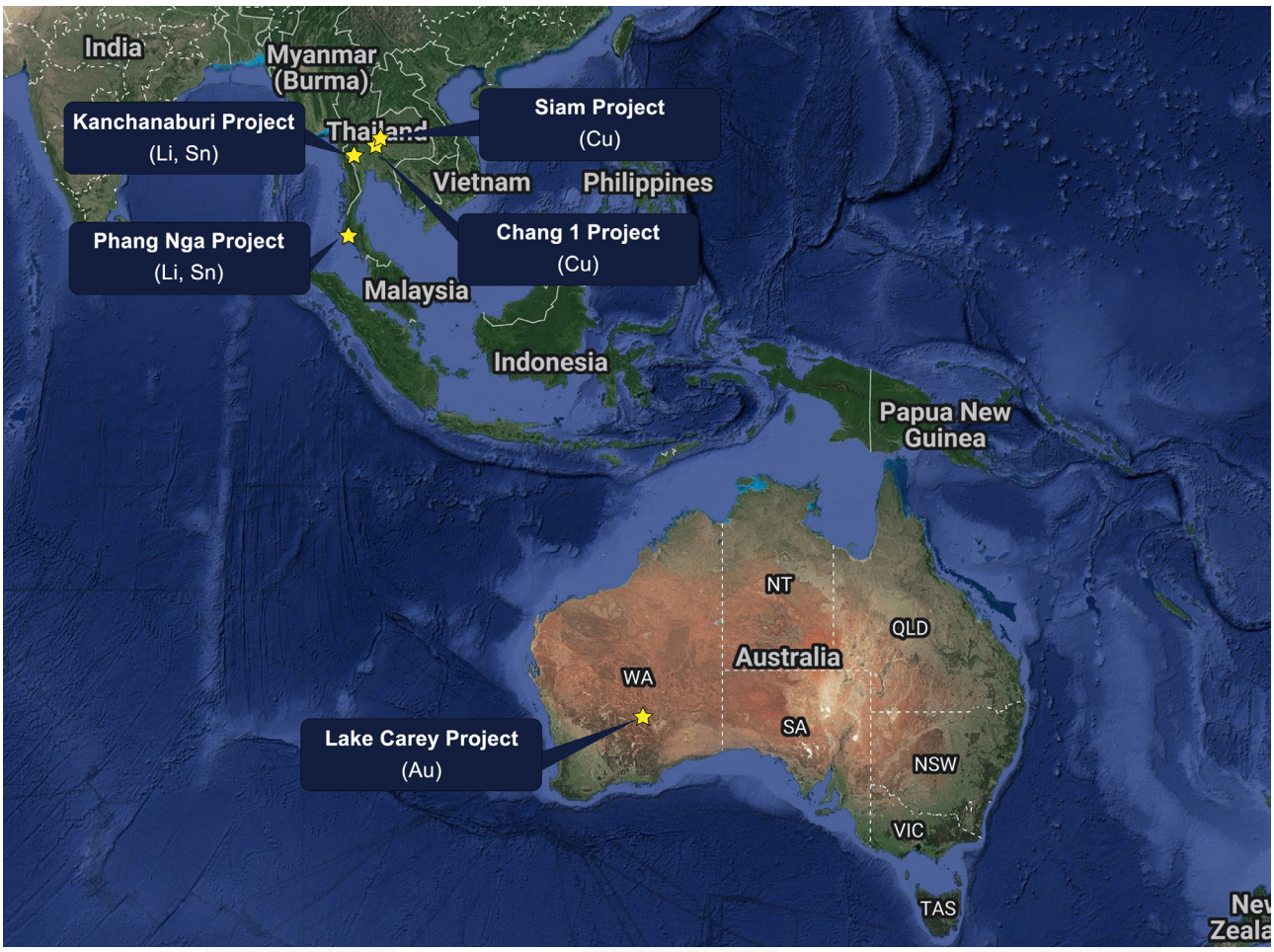

FIGURE 1: Matsa's projects with a gold focus at Lake Carey in Western Australia and lithium focus in western Thailand

Lake Carey comprises almost 450km2 of highly prospective tenements within the Laverton Tectonic Zone (LTZ) of the Kurnalpi Terrane in Western Australia's eastern goldfields region (Figures 2 & 3). The district is well serviced by infrastructure including a network of high-quality roads, gas pipelines, communication infrastructure, airstrips with regular services to Perth and close proximity to an established mining workforce and supply network.

The LTZ is a 250 km long structural corridor hosting multiple world-class, multi-million-ounce gold operations with significant gold endowment (Figure 2). The region's gold operations and resources include:

- Genesis Minerals Mt Morgans & Laverton deposits (6.4Moz in resource)
- Goldfields Wallaby and Granny Smith Mines (endowment >11.6Moz)
- AngloGold Ashanti's Sunrise Dam mine (endowment >11Moz)
- Matsa's Red October & Fortitude gold mines (0.8Moz resource)
- Legacy iron's Mt Celia deposit (0.3Moz in resource)
- Northern Star's Carosue Dam Operations (3.9Moz in resource)

Matsa's near term exploration focus is on the 1.7km Fortitude North prospect, located along the Fortitude Shear gold corridor, a regionally significant gold mineralised structure that hosts numerous gold deposits and can be traced for over 40km including across a number of Matsa's tenements (Figures 3 & 4). Previous drilling by Matsa at Fortitude North has returned numerous spectacular gold intersections, including 22m @ 9.2g/t Au, 8.3m @ 9.00g/t Au, 8.4m @ 3.69g/t Au and 2.89m @ 5.54g/t Au.

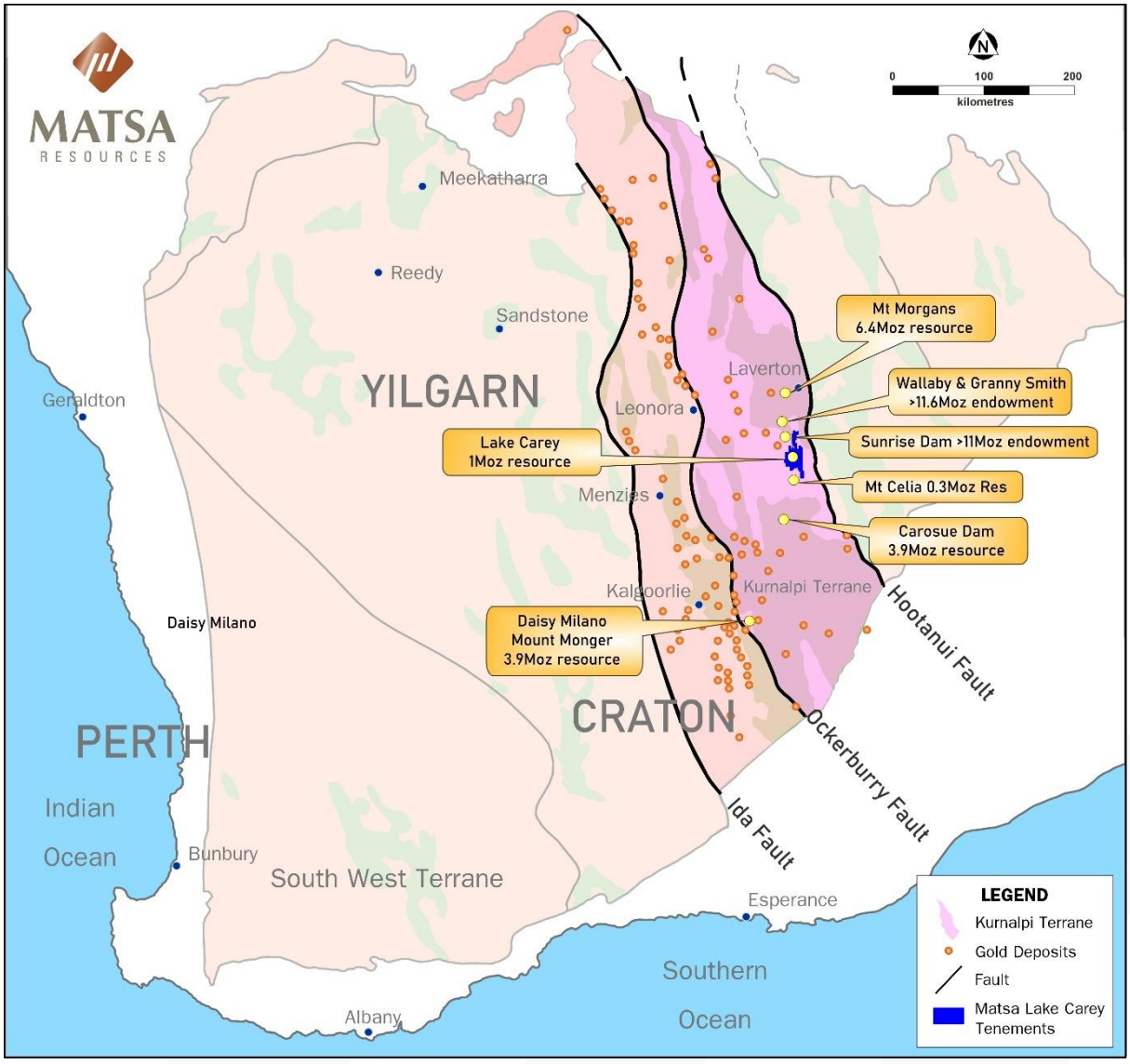

FIGURE 2: Lake Carey Gold Project in the Kurnalpi Terrane and gold mines/deposits

In Thailand, Matsa holds a number of developing lithium, REE and copper assets with approximately 1,700km2 under Special Prospecting Licence Applications (SPLA – up to 5 yr terms) and Exclusive Prospecting Licence Applications (EPLA – 2 yr terms) for lithium, REE and tin in Thailand's western granite belt The Company holds a further 584km2 under SPLA for copper, silver, gold and base metals in central Thailand's Loei Fold Belt.

(refer Company website for further information https://www.matsa.com.au/projects/).

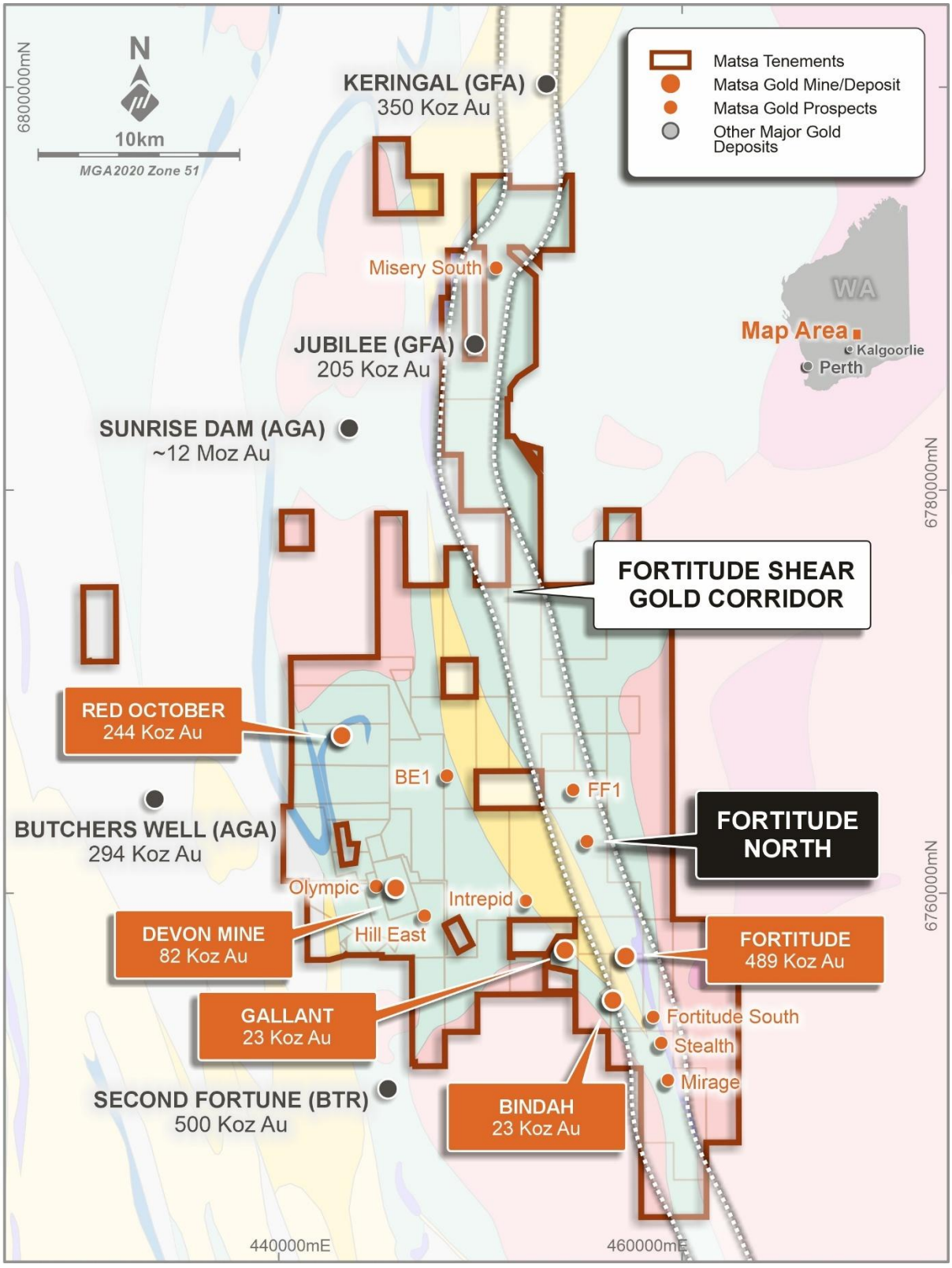

FIGURE 3: Lake Carey Gold Project in the Kurnalpi Terrane and gold mines/deposits

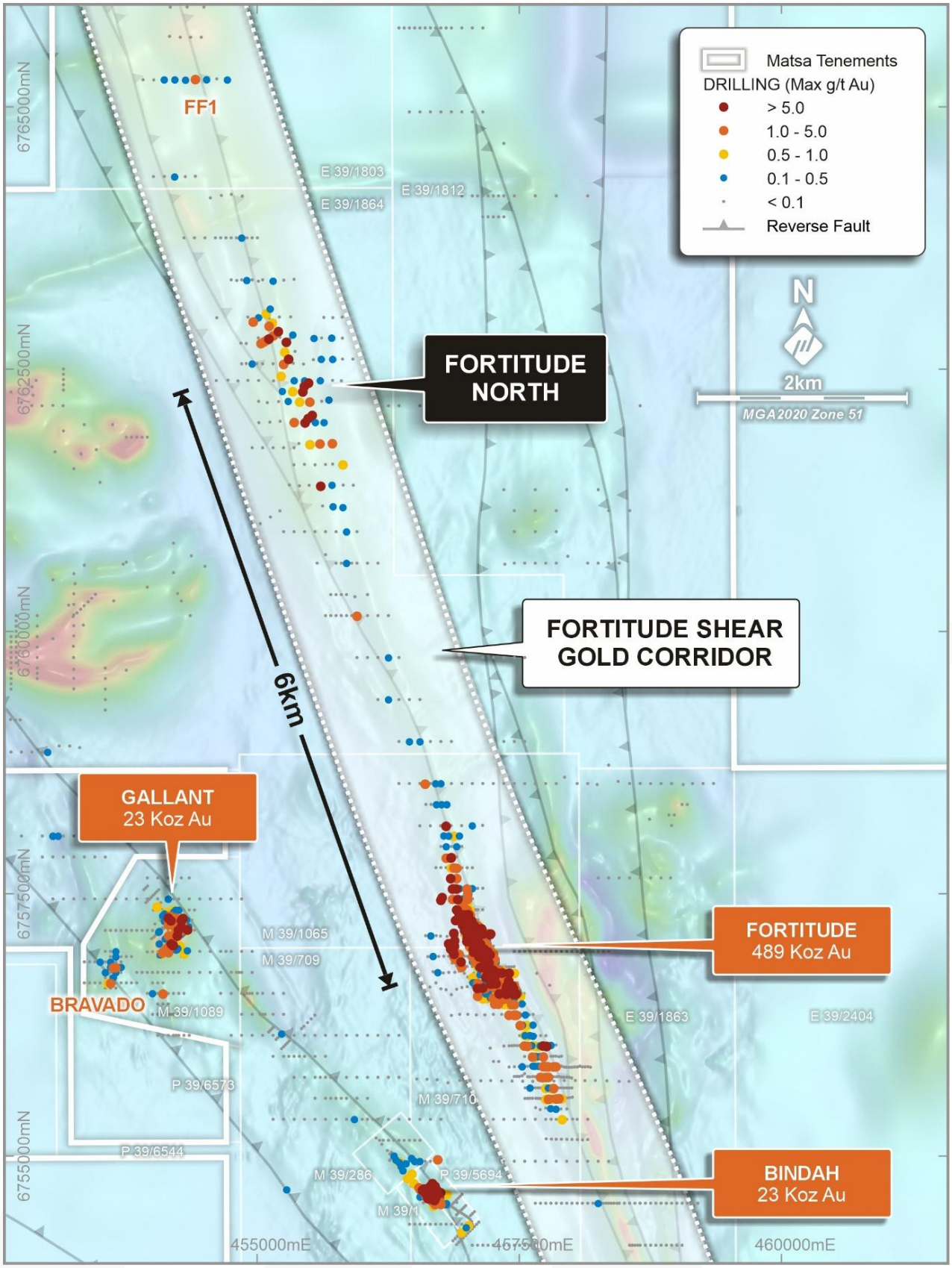

FIGURE 4: Fortitude Shear Gold Corridor where Matsa is focussing it's initial exploration program

REVIEW OF OPERATIONS

AUSTRALIAN OPERATIONS

LAKE CAREY

The Lake Carey Gold Project (Figures 1 & 2), is located within the Laverton Tectonic Zone in the heart of the Eastern Goldfields of Western Australia's Yilgarn province (Figure 3). The eastern margin of the tenement package is bounded by the regional Barnicoat East Fault structure that separates the Kurnalpi and Burtville terranes.

Importantly, from a development perspective, Matsa's key resource projects (Figure 5 & Table 1) are mostly located within granted mining licences and accessible by a network of established roads. As such, all of the key projects with the exception of the Fortitude Gold Mine which is already approved, have a shorter lead time to obtaining final mining approvals than would normally be encountered at the exploration and assessment phase. Fortitude North and Hill East project areas both fall within exploration tenements and would require conversion to a mining lease to allow development. At Hill East (EL1232) the Company has applied for a mining tenement (M39/1204) where the Company has an established JORC resource.

The Devon Pit Gold Mine has been the focus of Matsa's work activities during the year and to this end, mining at Devon commenced in July 2025. The Devon mine operation is a high-grade narrow veined open cut mining operation and expected to have a mine life of approximately 18 months with ore mined and hauled to FMR's Greenfields processing plant in Coolgardie.

Outside of the Devon Operation, Lake Carey hosts 861koz in Resource and has significant potential for resource growth. During 2026 the Company has embarked on a significant drilling program to realise that potential. To that end, the Company is targeting an additional 1Moz to the current resource through exploration at Fortitude North, Fortitude and Lake Carey in general.

Project status for key resource and mining options are outlined in the following table:

PROJECT	MINING LEASE	HAUL ROADS	MINE PROPOSAL
Fortitude (OP)	Granted	Existing	Current
Gallant (OP)	Granted	Existing	Required
Bindah (OP)	Granted	Existing	Required
Red October (OP)	Granted	Existing	Current
Devon Pit (OP)	Granted	Existing	Required
Hill East (OP)	No	Partial	Required
Olympic (OP)	Granted	Existing	Required

TABLE 1: Status of Key Projects

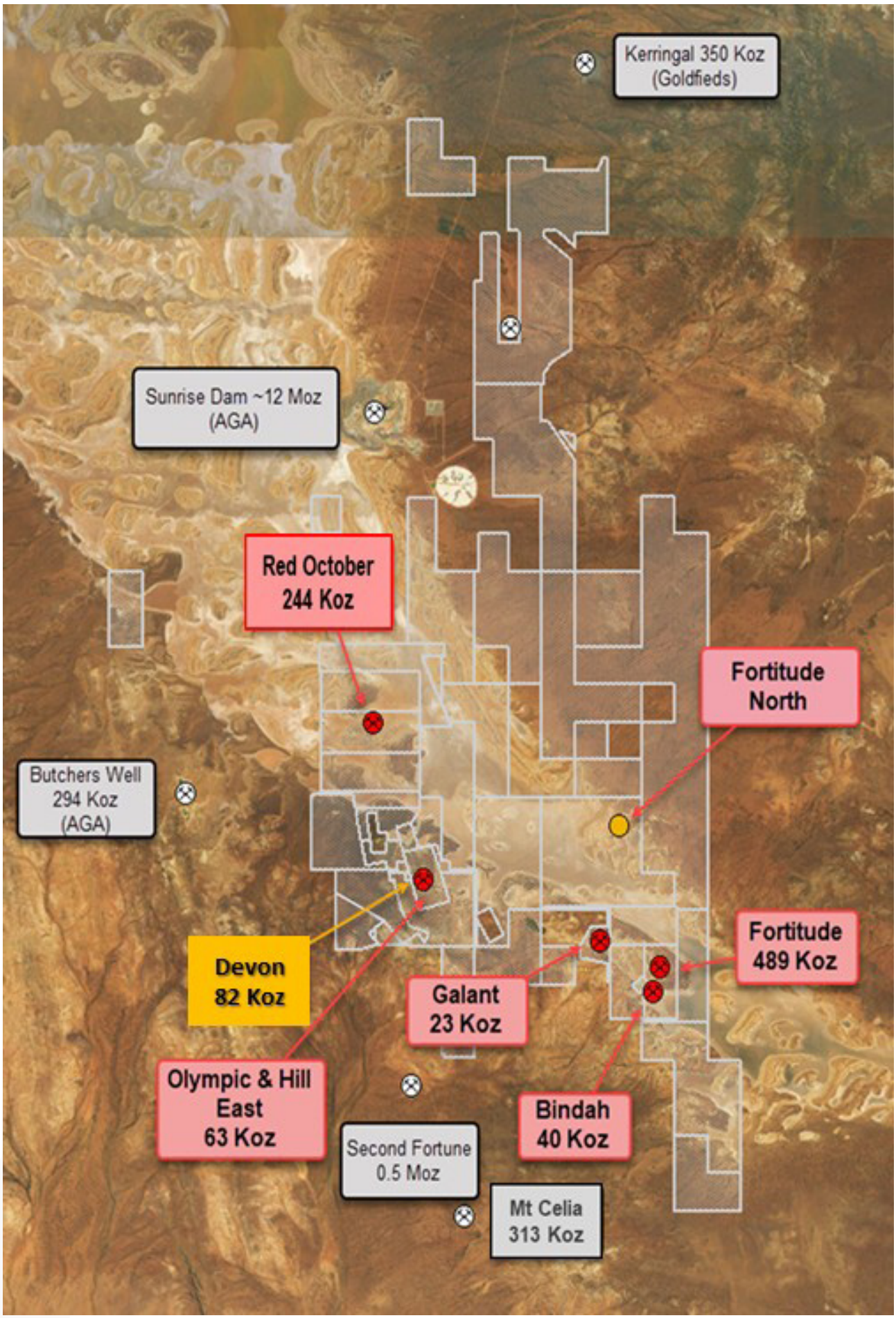

FIGURE 5: Matsa's Lake Carey Gold Project

OVERVIEW

During the year, the Company's priority focus has been on continued mining at Devon and diamond drilling exploration at Lake Carey, principally at Fortitude North (Plate 3).

AngloGold (under the TOA) have been exploring five tenements south of Red October having commenced exploration drilling as well as undertaken a number of environmental surveys.

Key results from work during the year include:

- 155kt @ 2.16g/t Au to the FMR processing plant for approximately 10koz (to 11 August 2026) over 12 months with a further 83kt of low grade stocks (~1,863oz) in stockpile at Devon
- Drilling of 21 diamond drill holes (to 8 August 2026) at lake Carey for 4,996m
- AngloGold Ashanti completed a mix of reverse circulation and diamond drilling of 44 holes for 12,089m

Details of exploration and development results for FY 26 are outlined in the Exploration, Development and Operations Sections of this Annual Report.

Plate 3: Drilling rig on the lake

DEVELOPMENT AND OPERATIONS

DEVON PIT GOLD MINE

During the financial year mining (at +1g/t ore) at the Devon Pit Gold Mine (Plate 5) delivered 141kt @ 2.06g/t Au to the FMR processing plant for 7,317 oz sold (10.1koz mined), with a further 83kt of low grade stocks in stockpile at Devon.

Mill performance has seen better than expected recoveries from a budgeted 83% to 89.6% in the May 2026 (C3) processing campaign. Mine production in Campaign 3 has been impacted by voids associated with the historical underground mining which has adversely impacted mined grade due to higher than planned mining dilution. Mining dilution to date has been calculated at approximately 40%.

Plate 4: Completed drill and blast patterns in Devon pit (Photo taken 15 July)

There has been a total of 3 processing campaigns during the financial year with the 4th campaign completed during August 2026 but unreconciled at the time of this report.

EXPLORATION

FORTITUDE NORTH

During the year, Matsa commenced a significant drilling program at Lake Carey completing 21 diamond drill holes (to 8 August 2026) for 4,996m, principally at Fortitude North (Figure 6) within the Fortitude Shear gold corridor (Figure 4) which is host to Matsa's Fortitude Gold Mine with 489koz in resource.
The drilling at Lake Carey is aimed at realising the resource growth potential of the project, particularly at Fortitude North and the Fortitude Shear gold corridor where past drilling has returned significant gold intercepts.

All assay results from the Fortitude North drilling (to 31 July 2026) have been reported with highlights including:

- **12.8m @ 2.43g/t Au** from 128.4m (26FNDD013)
- **5.0m @ 2.95g/t Au** from 185.5m (26FNDD014)
- **8.4m @ 3.62g/t Au** from 123.6m (26FNDD015)
- **6.9m @ 3.08g/t Au** from 106.5m (26FNDD016), and
- **3.0m @ 5.26g/t Au** from 124m (26FNDD016), and
- **2.9m @ 8.67g/t Au** from 286.7m (26FNDD016), and
- **15.2m @ 2.93g/t Au** from 298.8m (26FNDD016)
- **3.1m @ 5.66g/t Au** from 302.1m (26FNDD017), and
- **5.1m @ 9.68g/t Au** from 353m (26FNDD017)
- **26.6m @ 4.48g/t Au** from 92.9m (26FNDD018), including
  10.3m @ 6.24g/t Au from 108.2m, and
  5.8m @ 2.25g/t Au from 243m (26FNDD018)
- **14.0m @ 2.04g/t Au** from 126m (26FNDD019), including
  3.0m @ 4.88g/t Au from 126m (26FNDD019)
- **4.1m @ 3.00g/t Au** from 129.4m (26FNDD020), and
- **5.8m @ 8.29g/t Au** from 274m (26FNDD020)
- **9.0m @ 3.27g/t Au** from 183m (26FNDD021)

The drilling has confirmed previous modelling of stacked mineralised systems are present at Fortitude North that infers significant volume potential and therefore exploration space. A generalised cross section for Fortitude North is presented as Figure 7.

Elsewhere at Lake Carey a small diamond drilling program was undertaken at Hill East to provide structural data to assist geological interpretation and validate the project's resource model. Assay results for Hill East include:

- **2.0m @ 1.4g/t Au** from 52m (26HEDD001), and
- **2.3m @ 17.37g/t Au** from 115.85m (26HEDD001)
- **3.3m @ 5.09g/t Au** from 136.7m (26HEDD002)
- **6.8m @ 2.84g/t Au** from 72.5m (26HEDD004)

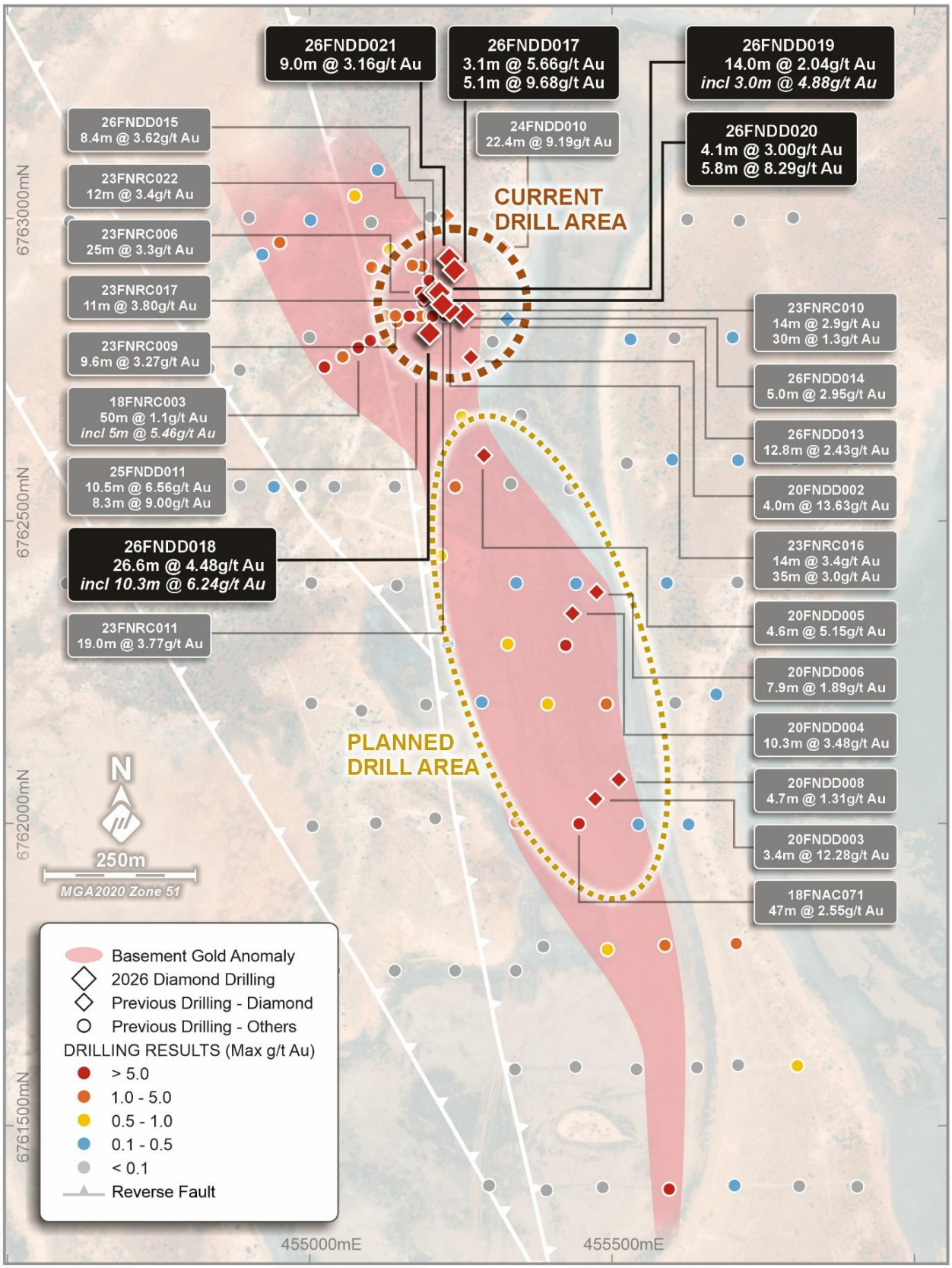

FIGURE 6: Fortitude North drilling showing area of current drilling (brown dotted outline) and planned lake based drilling (tan dotted outline)

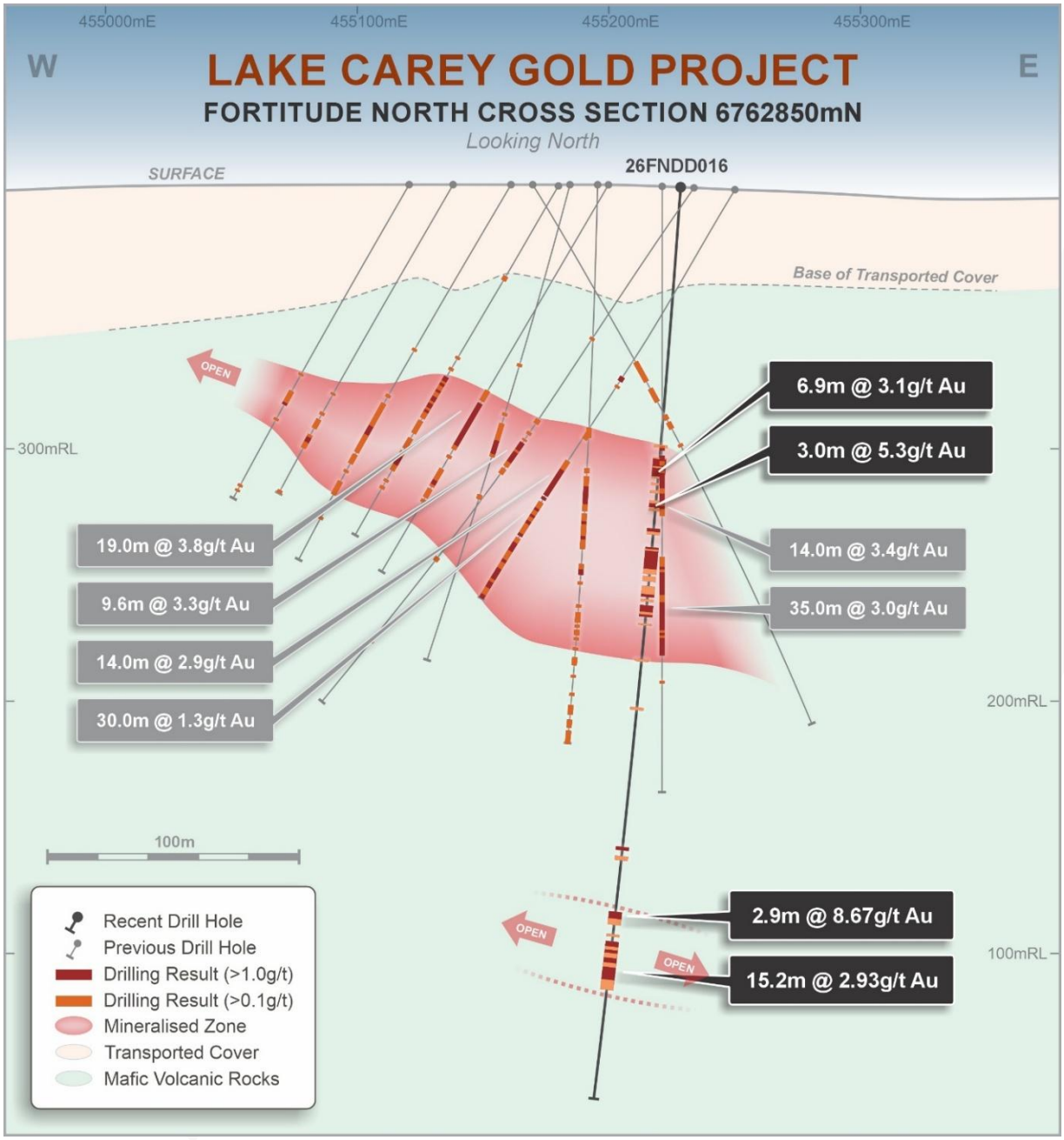

FIGURE 7: Section through 6762850N looking north showing new diamond drill holes 26FNDD016 (no previous diamond drilling) and interpreted mineralised lodes from 2023 – the new drilling results support the overall lode geometry interpreted by Matsa and the new structural information will enable refinement of the general lode architecture

ANGLOGOLD ASHANTI EXPLORATION DRILLING

AngloGold have completed a mix of reverse circulation and diamond drilling of 44 holes for 12,089m on M39/599 under the TOA between Matsa and AngloGold Ashanti (Figure 8) where drilling has now identified mineralisation over a strike extent of approximately 2km (Figure 9).

Drill holes are spaced at 100m centres on a staggered line spacing between 200m and 400m and drilling results highlight a typical greenstone rock assemblage of diorites-porphyries-intermediate volcanics with gold mineralisation associated with quartz – sericite carbonate breccias and veins.

The interpreted gold trend appears to remain open ended to the north and south. Further assays are still expected from the drilling at the time of writing this report.

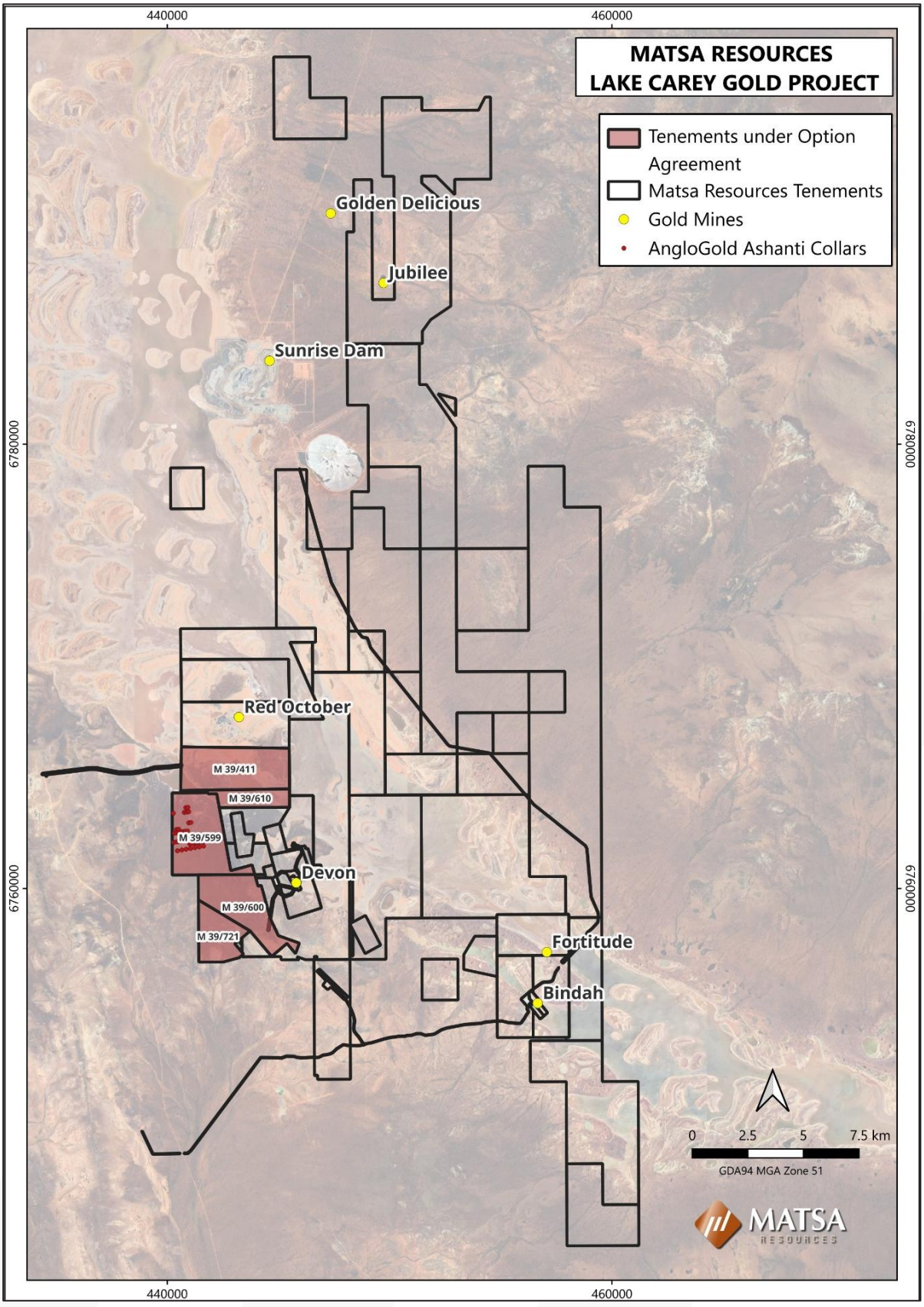

FIGURE 8: Matsa's Lake Carey Gold Project and tenements (darker shading) subject to the Tenement Option Agreement (TOA)

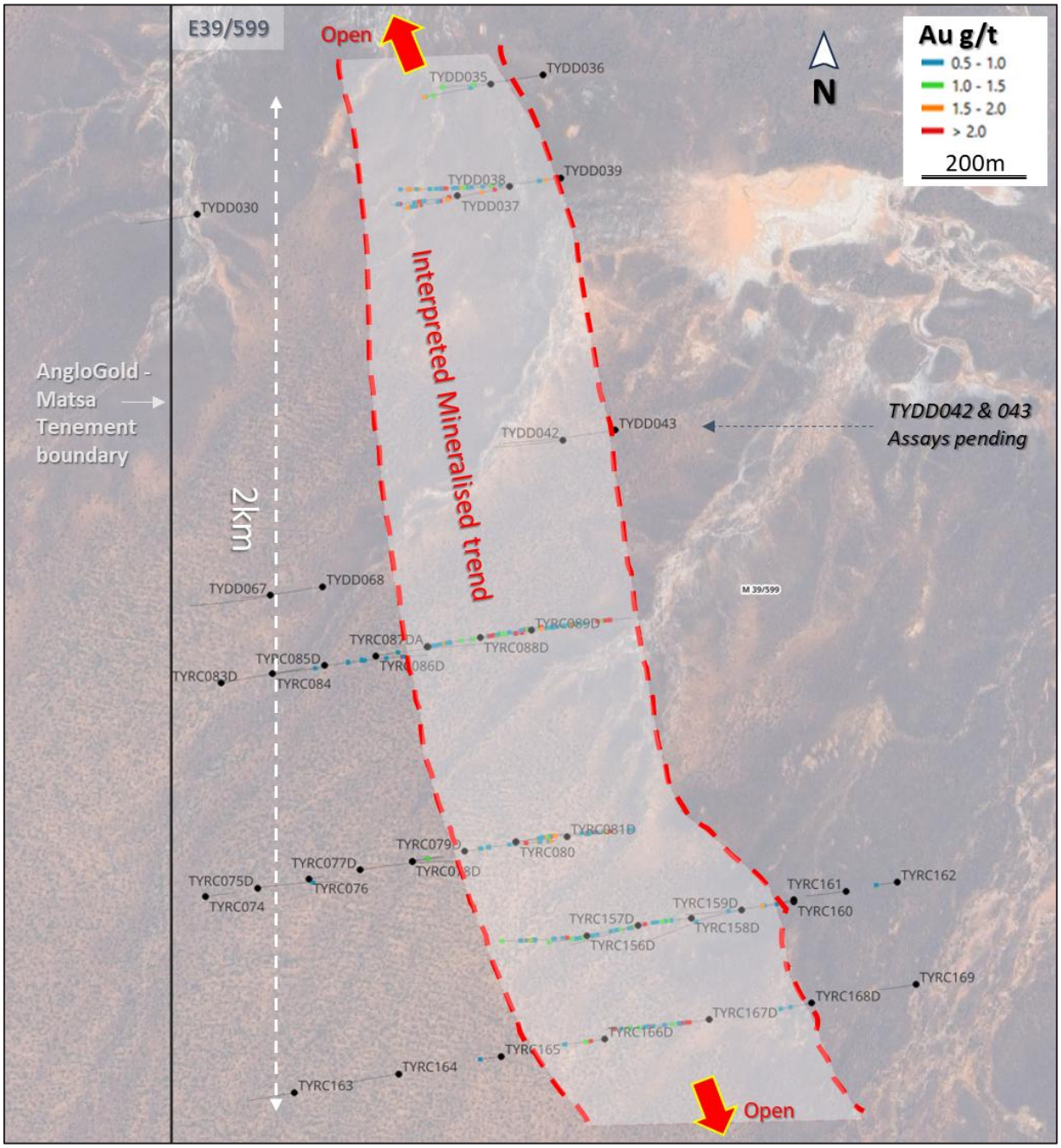

FIGURE 9: Drilling completed by AngloGold Ashanti on M39/599 with maximum gold intercepts highlighting a 2km mineralised gold trend interpreted by Matsa.

RESOURCES

Changes to the Lake Carey Resource reflects model adjustments at Devon following grade control drilling and mining depletion. The Lake Carey Resource now stands at 11.6Mt @ 2.4g/t for 904koz as outlined in Table 2 below:

	Cutoff	Measured		Indicated		Inferred		Total Resources		
	g/t Au	('000t)	g/t AU	('000t)	g/t AU	('000t)	g/t AU	('000t)	g/t AU	('000) oz)
Red October										
Red October UG	2.0	105	8.4	608	5.4	635	5.4	1348	5.6	244
Red October Subtotal		*105*	*8.4*	*608*	*5.4*	*635*	*5.4*	*1348*	*5.6*	*244*
Devon										
Devon Pit (OP)	1.0	149	4.0	180	3.7	46	2.2	374	3.6	44
Olympic (OP)	1.0	-	-	-	-	171	2.8	171	2.8	15
Hill East (OP)	1.0	-	-	-	-	748	2.0	748	2.0	48
Devon Subtotal		*18*	*4.4*	*180*	*3.7*	*965*	*2.2*	*1293*	*2.6*	*107*
Fortitude										
Fortitude	1.0	127	2.2	2,979	1.9	4,943	1.9	8,048	1.9	489
Gallant (OP)	1.0	-	-	-	-	341	2.1	341	2.1	23
Bindah (OP)	1.0	-	-	43	3.3	483	2.3	526	2.4	40
Fortitude Subtotal		*127*	*2.2*	*3021*	*2.0*	*5,767*	*1.9*	*8,915*	*1.9*	*553*
TOTAL		**250**	**5.0**	**3,809**	**2.6**	**7,367**	**2.2**	**11,556**	**2.4**	**904**

TABLE 2: Lake Carey Gold Resource Table (resources include reserves, refer Resources and Reserves Table for formal 30 June statement). Note rounding adjustments may not total.

RESERVES

Changes to reserves during the year reflect mining of ore at the Devon operation. Total reserves for the Lake Carey Gold Project now stand at 1.2Mt @ 2.1g/t for 80koz as outlined in Table 3 below:

PROJECT	PROVEN		PROBABLE		TOTAL RESERVE		
	('000t)	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000 oz)
Red October UG	-	-	-	-	-	-	-
Devon Pit	-	-	206	3.4	206	3.4	22
Fortitude Pit[1]	-	-	1,029	1.8	1029	1.8	58
TOTAL	**-**	**-**	**1,235**	**2.1**	**1,235**	**2.1**	**80**

TABLE 3: Lake Carey Gold Reserves Table (resources include reserves, refer Resources and Reserves table for formal 30 June statement). Note rounding adjustments may not total.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration results, Mineral Resources, Ore Reserves or Feasibility Studies is based on information and compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Blampain is a full time employee of Matsa Resources Limited. Mr Blampain has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

THAILAND OPERATIONS

During the year, Matsa has maintained a reduced level of exploration activities in Thailand due to a focus on it's Australian projects The tenements and applications held by Matsa are prospective for lithium, REE, and copper.

Matsa has one of, if not the largest, tenement positions in Southeast Asia for lithium and other critical minerals exploration with 1,682km2 held for lithium/rare earths and 590km2 held for copper potential.

The Company continues to conduct field mapping and limited diamond drilling to improve the geological understanding associated with the exploration of lithium and rare earths in Thailand's Western granite belt.

Plate 5: Field work in the farm fields of Kanchanaburi

Plate 6: Glimmerite outcrop in Western Thailand

CORPORATE ACTIVITIES

Board and Management Changes

On 30 June 2026, the Company announced a number of changes to its Board to strengthen the Company's technical capabilities and governance as it focuses on fast tracking the development of the potential multi-million ounce Lake Carey Gold Project. The Company appointed Mr Graham Ascough, Mr Robert Ryan and Mr Leonard Lau to the Board. Their respective qualifications and experience are detailed in the Directors' Report.

In conjunction with the new Board appointments Matsa strengthened its management team with the appointment of Ms Karen De Luca as Consultant Exploration Manager, responsible for the exploration programs at Lake Carey, and Mr Mark Cossom as a Technical Consultant supporting development studies and exploration at Lake Carey.

Mr Pascal Blampain has resigned from the Board but importantly retains an executive role with the Company as part of the geological management team.

AngloGold Ashanti Tenement Option Agreement

In July 2025, AngloGold advised that, in accordance with the TOA, they elected to nominate the following tenements they wish to progress under the TOA: M39/411, M39/599, M39/600, M39/610 and M39/721. There is no change to the Option Fee or consideration payable by AngloGold except for any gold price movements in accordance with the TOA should AngloGold exercise the Option by 20 December 2026.

On 9 December 2025 and 18 June 2026, Matsa announced that AngloGold had paid $1.5M (ex GST) each for the second and third Option Fee payments under the terms of the TOA. Matsa has now received a total of $9.5M from AngloGold under the TOA.

Funding Facility Agreement

On 12 February 2026 Matsa announced that it had entered in to a 3 tranche Debt Facility Agreement of up to $17.5M ("Debt Facility") with major shareholder, Deutsche Balaton Aktiengesellschaft ("Deutsche Balaton"). The purpose of the Debt Facility is to provide Matsa with working capital for the mining of the Devon Pit Gold Mine and Matsa's general working capital requirements.

The material key terms that include the following:

1. The Debt Facility amount is up to $17.5M which can be drawn down in three tranches:

   (a) Tranche 1 - $5M

   (b) Tranche 2 - $5M (minimum of $2.5M at a time) subject to certain conditions having been met in advance

   (c) Tranche 3 - $7.5M (minimum of $2.5M at a time) subject to certain conditions having been met.

2. The Debt Facility includes a number of conditions subsequent which must be satisfied within agreed timeframes with most conditions satisfied at the time of this report.

3. The Debt Facility is to be repaid by 31 December 2026, or such later date as agreed between the parties.

4. The Debt Facility can be repaid earlier at the Company's election in instalments of $2.5M but not within the first six months of the date of the Debt Facility Agreement.

5. The Debt Facility has an interest rate of 25% on all amounts outstanding.

6. The Debt Facility can be repaid to Deutsche Balaton at its election as follows:

   (a) In cash based on the outstanding principal drawn down and applicable interest at the above interest rate; or

   (b) In gold bullion at the prevailing gold price at the time of repayment, however the gold price is capped at A$5,750 per ounce if the gold price is above A$5,750 per ounce; or

   (c) The cash equivalent of the gold bullion repayment as calculated in (b) above.

As at 30 June 2026 Matsa had drawn down $10M of the Debt Facility Agreement.

Capital Raisings

On 1 October 2025, the Company announced that it had secured a $15M funding package aimed at advancing the development options of the greater Lake Carey Project including advancing studies and mine plans for various deposits and new drilling programs at Fortitude North and BE1.

The funding package consisted of $10M via the issue of 100M shares at an issue price of $0.10 each and a $5M secured loan drawdown facility. The $10M placement was taken up by several existing significant shareholders and several new strategic institutional gold funds and investor institutions.

Matsa did not draw down on the $5M facility which expired on 31 December 2025.

General

During the year, 137,141,805 unlisted options with various exercise prices were exercised with total funds received of $8,641,386. FiftyOne Capital Pty Ltd were issued 22,895,719 options as part of their fee for acting as Lead Managers to the Company's share placement.

On 5 September 2025, Matsa executed an option underwriting agreement to fully underwrite the exercise of unlisted options exercisable at $0.07 each expiring 7 September 2025 with WACC Pty Ltd as trustee for the Flagship Fund ("Flagship") an existing substantial shareholder of the Company.

MATSA RESOURCES LIMITED

DIRECTORS' REPORT

Your directors present their report on the entity Matsa Resources Limited ("Matsa" or the "Company") and its controlled entities (the "Group") for the year ended 30 June 2026.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Paul Poli Bachelor of Commerce, FCPA DFP (Executive Chairman)

Mr Poli is a fellow of the Australian Society of Certified Practicing Accountants and a former registered Securities Trader. He was the founder and managing partner of a taxation and business advisory firm for 19 years prior to founding and heading Matsa Resources Limited from 2009 to date. He is well versed in all aspects of business, particularly financial management through both his previous consulting roles and through his personal ownership of private companies in Western Australia, the Northern Territory and South East Asia. Mr Poli led the negotiations for several significant transactions for Matsa including the $14,000,000 Norseman sale to Panoramic Resources Limited, $6,000,000 minority interest sale to Westgold Resources Limited, and $7,000,000 Symons Hill IGO joint venture. Mr Poli, in his capacity as Chairman of Bulletin Resources also negotiated the sale of Halls Creek gold project for $12,000,000 to Pantoro Limited, and the $5.7M Apollo transaction.

He has been chairman of Matsa for over 15 years and a significant investor in the mining industry. Mr Poli is particularly well qualified to drive the creation of a significant mining and exploration company.

During the past three years, Mr Poli has also served as a Director of the following publicly listed companies:

Bulletin Resources Limited (Appointed 24 June 2014)

Mr Graham Ascough *(Appointed 29 June 2026)*

Mr Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas. Mr Ascough, a geophysicist, has had broad industry involvement playing a leading role in setting the strategic direction for companies, completing financing and in implementing successful exploration programmes. He is a member of the Australasian Institute of Mining and Metallurgy and is a Professional Geoscientist of Ontario, Canada. Mr Ascough has served as a director of several companies listed on the ASX in recent years, and previously, he was the Australasian Manager of Nickel and PGM Exploration at the major Canadian resources house, Falconbridge Limited, which was acquired by Xstrata Plc in 2006.

During the past three years, Mr Ascough has also served as a Director of the following publicly listed companies:

Patronus Resources Limited – Non-executive Director since 1 October 2024
Geopacific Resources Limited – Non-executive Chairman since November 2023
Black Canyon Limited – Non-executive Chairman since August 2013
Musgrave Minerals Limited – Non-executive Chairman (resigned September 2023)
PNX Metals Limited – Non-executive Chairman (resigned 12 September 2024)
Sunstone Metals Limited – Non-executive Chairman (resigned 16 September 2024)

Mr Robert Ryan *(Appointed 29 June 2026)*

Mr Ryan is a mining engineer with more than 20 years' experience across Western Australian gold operations, spanning mine planning, technical services, operational management, feasibility studies and project development. He is currently an Executive Director of Mineral Mining Services, a Western Australian contract mining business, having previously served as its Chief Executive Officer. Prior to that he was Managing Director of Rox Resources Limited and Chief Executive Officer of Bardoc Gold Limited. His earlier career includes senior operational and technical roles with Norton Gold Fields at the Paddington operations near Kalgoorlie, Barrick Gold at Kanowna Belle and Gold Fields at St Ives. He holds a Bachelor of Engineering (Mining Engineering) from the Western Australian School of Mines and a First Class Mine Manager's Certificate of Competency.

Mr Ryan's operating, contract mining and development experience across the Western Australian goldfields directly supports the development studies and mining activities planned across Lake Carey.

During the past three years, Mr Ryan has also served as a Director of the following publicly listed company:

Rox Resources Limited – Managing Director (resigned October 2024)

Mr Leonard Lau *(Appointed 29 June 2026)*

Mr Lau is a Perth-based corporate development and investor relations executive with more than 20 years' experience in the mining, energy and natural resources sector, spanning mergers and acquisitions, investment evaluation, strategic planning, commercial analysis and shareholder communications. He has held senior corporate development, strategy and investor relations roles with Glencore, Leo Lithium, Western Areas and Woodside Energy, including eight years as General Manager, Corporate Development at Western Areas through to its $1.3B acquisition by IGO Limited in 2022. He was also part of Xstrata's core business development team which undertook 22 transactions growing Xstrata to US$60B before its acquisition by Glencore in 2013. He holds an MBA with Distinction from Saïd Business School, University of Oxford, a Bachelor of Commerce (Honours) in Mathematics and Finance from the University of Western Australia and is a CFA charter holder.

Mr Lau's transaction, commercial and shareholder engagement experience supports the Company as it funds and delivers its exploration and development strategy at Lake Carey.

Mr Lau has not served as a Director of any other publicly listed companies during the past three years.

Mr Andrew Chapman CA F Fin GAICD

Mr Chapman is a chartered accountant with over 30 years' experience in publicly listed companies in the mineral resources, oil and gas and technology sectors.

He has held Board positions as well as other senior roles including Director, Company Secretary and Chief Financial Officer. Mr Chapman has significant experience in the areas of corporate acquisitions, divestments and capital raisings. He has developed specialist knowledge of dealing with ASX and other corporate regulatory bodies, financial institutions and other advisory groups.

Mr Chapman is an associate member of the Chartered Accountants Australia and New Zealand (CAANZ), a Fellow of the Financial Services Institute of Australasia (Finsia) and a graduate of the Australian Institute of Company Directors (AICD).

Mr Chapman has not served as a Director of any other publicly listed companies during the past three years.

Mr Pascal Blampain BSc, MAusIMM, MAIG (*Resigned 30 June 2026*)

Pascal Blampain is a geologist with over 32 years' experience across Australia and Papua New Guinea having held senior positions with global miners including Barrick Gold Corporation, Gold Fields Limited and Silverlake Resources (now Vault).

Mr Blampain's roles have spanned regional and near-mine exploration, operational geology, long-term strategic planning and resource development. He has a strong track record of delivering resource and reserve growth in gold during his time working at world-class deposits such as Plutonic, Wallaby (Granny Smith), Porgera (PNG) and Lawlers.

Mr Blampain has also served as Chief Geologist/Geology Manager roles at Plutonic (Superior Gold Inc.), Mount Monger-Mt Belches (Silver Lake Resources Limited), Darlot (Gold Fields Limited) and Lawlers (Barrick Gold Corporation).

Mr Blampain has not served as a Director of any other publicly listed companies during the past three years.

COMPANY SECRETARY

Mr Chapman is also the Company Secretary of the Group. Refer to the directors' particulars as noted above.

PRINCIPAL ACTIVITIES

During the year the principal activities of entities within the Group were gold and other mineral exploration in Australia and Thailand.

There were no significant changes in the nature of these activities during the year.

OPERATING RESULTS FOR THE YEAR

The Group's net loss for the year after income tax is $39,398,903 (2025: profit of $1,431,049).

The Group's net loss for the year includes the following items:

- A net gain on sale of financial assets of $nil (2025: gain $1,914).
- A loss on sale of plant and equipment of $141,340 (2025: gain $9,700).
- Capitalised exploration and evaluation assets of $30,650 (2025: $305,299) written off/impaired.
- Income of $3,000,000 (2025: $5,000,000) relating to option fee received from AngloGold.
- Income of $nil (2025: $725,823) relating to Research and Development tax refunds for eligible research.

REVIEW OF FINANCIAL POSITION

The net assets attributable to the shareholders of the Company have decreased by $21,335,071 from $20,537,904 at 30 June 2025 to -$797,169 at 30 June 2026.

During the financial year, $10,048,896 (before costs) was raised through the issue of 100,000,000 fully paid ordinary shares at an issue price of $0.10 per share. A further $8,641,386 was received from the exercise of options at various exercise prices. The Company also received $15,130,540 in the form of loans.

Cash reserves at 30 June 2026 were $6,238,857 compared to $6,912,672 in the previous financial year.

GOING CONCERN

The consolidated statement of profit and loss shows that the Group incurred a net loss of $39,398,903 for the year ended 30 June 2026 (2025: profit of $1,431,049) and a cash outflow from operating activities of $28,020,033 during the year ended 30 June 2026 (2025: inflow of $5,451,348) and, as of that date, the Group had $6,238,857 in cash and cash equivalents (2025: $6,912,672) and a working capital deficit of $21,584,704 (2025: $1,222,450) (primarily resulting from trade and other payables of $15,585,710 and borrowings of $18,185,979, both classified as current liabilities).

The consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors have had regard to the fact that based on the matters noted below the Group has, or in the directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this consolidated financial report.

In forming this view the directors have taken into consideration the following:

- The Group commenced mining at Devon Pit Gold Mine ("Devon") in July 2025 with mining scheduled into several campaigns ("Campaign"). The first campaign was completed in October 2025 with two further campaigns undertaken in January 2026 and June 2026. Despite mining operations improving over FY2026, the mine has been operating at a loss. In addition, on 9 September 2026 mining at Devon was suspended following a dispute with the Group's mining contractor, Blue Cap Mining Pty Ltd ("BCM") with all amounts then owing to BCM were paid in full on 10 September 2026. For further detail, including BCM's subsequent appointment of Receivers and Managers over certain assets of Matsa Gold Pty Ltd ("MGO") (being the assets associated with Devon only), DGM and MGO subsequently appointing KordaMentha to act as Administrators and a further disputed claim made by BCM, refer to ASX announcement on 14 September 2026 and Note 31 (Events Subsequent to Balance Date) to the consolidated financial statements;
- As a result of the above the Group has prepared cashflow forecasts that cover two key scenarios: a continuation of mining, and a prolonged or permanent suspension.

  Under the first scenario the Group has assumed that a mutually agreeable resolution to the dispute with BCM will occur and the remaining Campaigns will be fully executed. Under the first scenario, the Group is forecasting an improvement in the margins achieved to date resulting in the remaining Campaigns being cashflow positive over the forecast period. The improvement in the margins achieved is based on an expected significantly lower ore to waste ratio and higher gold grades than in the earlier Campaigns.

  As per the ASX announcement on 14 September 2026 and as disclosed in Note 31 (Events Subsequent to Balance Date) to the consolidated financial statements, despite all amounts recorded by the Group as owing to BCM as at 10 September 2026 having been discharged, BCM alleges that it is still owed further amounts including a potential future profit share amount from Devon. Under the second scenario the Group has assumed that any amounts ultimately determined as being payable to BCM as a result of the dispute and/or prolonged or permanent suspension of the Devon mining operation will be consistent with the amounts and timing incorporated into the cashflow forecast. Note however that the Group has not included any amounts for a future profit share liability in the cashflow forecast because in the opinion of the directors the basis on which BCM's profit share component has been calculated is not valid. This is on the basis that under the current mine plan Devon is not expected to generate a profit to which any profit share entitlement would attach, resulting in no profit share amount being payable during the forecast period (refer to Note 22 (Commitments and contingencies) to the consolidated financial statements).

While there is significant uncertainty as to whether mining continues at Devon or not, the Group, in addition to cash resources available as at the date of this consolidated financial report, expects to be able to generate sufficient additional cash flows by achieving the margins and/or managing costs as forecast in the cashflow forecasts under either scenario to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this consolidated financial report.

- On 15 September 2026, the Company executed a deed varying the TOA with AngloGold (originally entered into on 27 February 2025), under which AngloGold agreed to exercise its option early for a fixed purchase price of $55,000,000, replacing the previous formula-based consideration of up to $101,000,000. A deposit of $10,000,000 was received on 25 September 2026 as part-payment of the purchase price, with the balance of $45,000,000 payable at completion, expected within 15 business days of satisfaction of the completion conditions (the "Completion Conditions"). The material Completion Conditions relate to the Group receiving ministerial consent for the transfer of the tenements and obtaining a limited number of third party consents to the assignment of contractual rights linked to the sale assets. At the date of this consolidated financial report all Completion Conditions have been satisfied (refer ASX announcement on 15 October 2026) and hence the balance of $45,000,000 is expected to be received by 4 November 2026;
- The Group's secured debt facility with its major shareholder, Deutsche Balaton was refinanced, increasing the facility from $17,500,000 to $37,500,000 on 10 September 2026, with the repayment date extended from 31 December 2026 to 30 June 2027 (the "Refinanced Facility"). As at the date of this consolidated financial report, the Refinanced Facility had been drawn down to $32,800,000. Furthermore, the Group's additional borrowings of $4,000,000 which were originally due for repayment on 20 December 2026 were repaid in full on 15 September 2026, funded by a new $4,000,000 facility provided by Deutsche Balaton due for repayment on 30 June 2027 (the "Additional Facility"). Consequently, the full amount owing to Deutsche Balaton under the Refinanced Facility and the Additional Facility as at the date of this consolidated financial Report is $37,992,179 including interest and other fees payable;
- Of the total $55,000,000 consideration from AngloGold as noted above, $30,000,000 will be set aside and allocated as part repayment of the Deutsche Balaton Refinanced Facility and Additional Facility debt. The remaining $25,000,000 is therefore available for operational use and has been factored into the cashflow forecasts under both scenarios noted above; and
- Should the Group not continue mining and/or not generate sufficient positive cashflows from continued mining, the Group intends to discharge the balance of the remaining Deutsche Balaton Refinanced Facility and Additional Facility debt by raising additional capital. While there is significant uncertainty regarding the exact timing and quantum of any capital raise, the Group has historically been able to raise significant capital as and when required (including $10,000,000 raised in October 2025 (refer ASX announcement on 1 October 2025) and $3,000,000 raised in January 2025 (refer ASX announcement on 30 January 2025) and hence based on this fact is confident that an amount can be raised in the required timeframe to enable the Group to discharge its liabilities as and when they become due and in particular the balance of the remaining Deutsche Balaton Refinanced Facility and Additional Facility debt.

The directors have concluded that the matters set out above, including resolution of the receivership and voluntary administration of DGM and MGO and the further disputed claim made by BCM, completion of the transaction with AngloGold, and the Group's ability to discharge the Deutsche Balaton Refinanced Facility and Additional Facility debt by 30 June 2027 in full, represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The

Group may therefore be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Notwithstanding this, the directors believe there are reasonable grounds to expect the Group will be able to continue as a going concern and consider it appropriate to prepare the consolidated financial statements on that basis. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities, that might be necessary should the Group not continue as a going concern.

DIVIDENDS

No dividend was paid or declared by Matsa in the period since the end of the previous financial year, and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend.

CORPORATE STRUCTURE

Matsa is a company limited by shares, which is incorporated and domiciled in Australia.

EMPLOYEES

The Group had 36 employees of which 30 were full-time as at 30 June 2026 (2025: 25 employees of which 21 were full-time).

REVIEW OF OPERATIONS

A full review of the operations of the Group during the year ended 30 June 2026 is included on pages 4 to 22.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Group that occurred during the financial year are disclosed in the corporate activities section of the operations review of this report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 9 September 2026, mining operations at the Devon Gold Project were suspended following a dispute with the mining contractor, Blue Cap Mining Pty Ltd ("BCM").

On 10 September 2026, Deutsche Balaton agreed to increase its secured debt facility with the Group from $17,500,000 to $37,500,000 and to extend the repayment date from 31 December 2026 to 30 June 2027. On 10 September 2026, the Group drew down $22,824,387 and paid BCM in full and final satisfaction of amounts then outstanding.

On 11 September 2026, BCM asserted a further, disputed claim in respect of alleged future profits of the Devon mine, which the directors consider to be without merit and are defending, and appointed receivers and managers over certain assets of Matsa Gold Pty Ltd ("MGO") and Devon Gold Mining Pty Ltd ("DGM"), both wholly-owned subsidiaries of the Company. MGO and DGM subsequently appointed voluntary administrators. These appointments do not extend to the Company or its other subsidiaries, which continue to meet their debts as and when they fall due.

On 15 September 2026, the Company's subsidiaries Matsa Gold Pty Ltd and Red October Gold Pty Ltd executed a deed with AngloGold Ashanti Australia Ltd ("AngloGold") varying the Tenements Option Agreement referred to in Note 5(a)(i), under which AngloGold agreed to exercise its option early for a fixed purchase price of $55,000,000 (replacing the previous formula-based consideration of up to

$101,000,000), comprising a $10,000,000 deposit and a $45,000,000 balance payable at completion, subject to satisfaction of completion conditions.

Deutsche Balaton also provided the Group with a separate $4,000,000 secured facility, the proceeds of which were used to repay in full and secure the release of security granted in respect of, the Group's other secured borrowings referred to in Note 15(i).

Other than as set out above, no other matter or circumstance has arisen since 30 June 2026 which the directors consider to require disclosure in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

It is expected that the Group will continue its exploration and development activities in Australia and Thailand. These are described in more detail in the Review of Operations on page 4 to 22.

MATERIAL BUSINESS RISKS

The proposed future activities of the Group are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the directors and management of the Group and cannot be mitigated.

Mining operations

The Group's mining operations are subject to a number of risks and uncertainties that could materially and adversely affect future financial performance and position. These include, but are not limited to:

- **Operational performance:** Mining activities are dependent on the availability and performance of key mining equipment, contractors and personnel. Breakdowns, shortages, or lower-than-expected productivity can impact ore extraction, processing and production outcomes.
- **Geological and grade risk:** Actual ore bodies encountered during mining may differ materially from geological models and resource estimates. Variability in grade, tonnage or metallurgical recovery can affect revenue and profitability.
- **Cost escalation:** Mining operations are exposed to increases in fuel, energy, labour, consumables and contractor costs, which may not be fully recoverable from gold prices or other revenue streams.
- **Health, safety and environment (HSE):** Mining operations inherently involve health and safety risks to employees, contractors and the community. Environmental incidents or non-compliance with regulatory obligations may result in penalties, remediation costs, reputational harm, or suspension of operations.
- **Regulatory and permitting:** Operations are subject to ongoing compliance with mining, environmental, heritage and other regulations. Changes in laws, delays in obtaining approvals, or failure to meet license conditions could restrict or suspend mining activities.
- **Mine development and scheduling:** Delays or cost overruns in pre-stripping, mine development, waste removal or rehabilitation obligations may adversely affect production schedules and cashflows.
- **Geopolitical landscape:** Global security risks, tensions and military conflict could affect supply security either from trade embargoes, restrictions to supply, rationing or outright cccc which can have adverse impacts on operations.

The Group seeks to manage these risks through detailed mine planning, contracting with experienced mining service providers, maintaining appropriate insurance coverage, compliance monitoring, and active engagement with regulators and stakeholders.

Exploration

Mineral exploration activities are high-risk undertakings. The future exploration activities of the Group may be affected by a range of factors, including geological conditions, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and other factors beyond the control of the Group. There can be no assurance that exploration will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Capital and liquidity

In order to successfully fulfill the Group's exploration objectives and targets, the Group will continue to incur expenditures over the next several years. The Group will require additional capital or other types of financing in the future to further its exploration activities. While previous capital raises have been well-supported, there can be no assurance of the availability of future capital or favourable financing options if and when required.

Licenses, permits and approvals

The Group has necessary statutory operational and environmental licenses, permits and approvals to conduct ongoing exploration activities at its projects. Delays in obtaining, or the inability to obtain the required licenses, permits and approvals may significantly impact on the Group's exploration activities.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group's exploration activities are subject to various environmental laws and regulations under Australian and Thai Legislation. The Group has adequate systems in place for the management of its environmental obligations. The directors are not aware of any breaches of the legislation during the financial year which are material in nature.

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Paul Poli	6	6
Andrew Chapman	6	6
Pascal Blampain	6	6
Graham Ascough	0	0
Robert Ryan	0	0
Leonard Lau	0	0

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the directors in the shares and options of Matsa Resources Limited were:

	Number of Ordinary Shares	Number of $0.05 Unlisted Options
Paul Poli	17,633,333	5,300,000
Andrew Chapman	3,320,000	-
Graham Ascough	-	-
Robert Ryan	-	-
Leonard Lau	-	-

OPTIONS GRANTED TO DIRECTORS AND OFFICERS OF THE COMPANY

During the financial year, no options were issued to the directors or officers of the Company as part of their remuneration.

SHARE OPTIONS

As at the date of this report the unissued ordinary shares of Matsa Resources Limited under option are as follows:

Date of Expiry	Exercise Price	Number under Option
1 November 2026	$0.07	5,000,000
1 November 2026	$0.10	5,000,000
30 September 2027	$0.05	86,699,237
30 September 2028	$0.13	22,895,719
		119,594,956

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

SHARES ISSUED ON EXERCISE OF OPTIONS

During the financial year, a total of 137,141,805 unlisted options were exercised. 57,458,659 exercised at an issue price of $0.05 each, 61,723,146 exercised at an issue price of $0.07 each, 11,960,000 exercised at an issue price of $0.08 each and 6,000,000 exercised at an issue price of $0.09 each. There were no options that were cancelled or forfeited.

During the financial year, 3,040,000 unlisted options with exercise price of $0.08 each, 3,000,000 unlisted options with exercise price of $0.09 each and 433,335 unlisted options with exercise price of $0.07 each lapsed.

REMUNERATION REPORT - Audited

Principles of Compensation

This remuneration report for the year ended 30 June 2026 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the "Act") and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company, and includes the four executives in the Company and the Group receiving the highest remuneration.

For the purposes of this remuneration report, the term 'executive' includes the Executive Directors, Senior Executives and Secretary of the Company and the Group.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures;
2. Board oversight of remuneration;
3. Non-executive Director remuneration arrangements;
4. Executive remuneration arrangements;
5. Company performance and the link to remuneration;
6. Executive contractual arrangements; and
7. Equity instruments disclosures.

Individual KMP Disclosures

Details of KMP of the Company and Group are set out below:

Name	Position	Date of Appointment	Date of Resignation
Directors			
P Poli	Executive Chairman and Managing Director	23 December 2008	-
A Chapman	Non-Executive Director and Company Secretary	17 December 2009* 29 June 2026**	-
P Blampain	Executive Director	17 February 2021	29 June 2026
Graham Ascough	Non-Executive Director	29 June 2026	-
Robert Ryan	Non-Executive Director	29 June 2026	-
Leonard Lau	Non-Executive Director	29 June 2026	-

*A Chapman was appointed Company Secretary on 6 November 2007.

** A Chapman changed designation from Executive Director to Non-Executive Director, effective 29 June 2026.

There were no other changes to key management personnel after reporting date and before the date the consolidated financial report was authorised for issue.

REMUNERATION REPORT (continued)

Board Oversight of Remuneration

Remuneration Committee

In the opinion of the directors, the Company is not of sufficient size to warrant the formation of a remuneration committee. It is the board of directors' responsibility for determining and reviewing compensation arrangements for KMP.

The Board assesses the appropriateness of the nature and amount of remuneration of KMP on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing Director and executive team.

Remuneration Approval Process

The Board approves the remuneration arrangements of the KMP and all awards made under the long-term incentive plan. The Board also sets the aggregate remuneration of Non-Executive Directors which is then subject to shareholder approval.

Remuneration Strategy

The Company's remuneration strategy is designed to attract, motivate and retain employees and non-executive directors by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group.

To this end, the Company embodies the following principles in its remuneration framework:

- retention and motivation of KMP;
- attraction of quality management to the Company; and
- performance incentives which allow KMP to share the rewards of the success of the Company.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Senior Management remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Remuneration Policy

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors as agreed. The current aggregate remuneration is $250,000 per year.

REMUNERATION REPORT (continued)

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process. No external advice was received during the year. Each Non-Executive Director receives a fee for being a Director of the Company.

The Company appointed Non-Executive Directors on 29 June 2026, including the re-designation of an existing Executive Director as a Non-Executive Director. Accordingly, Non-Executive Directors served during FY2026, with certain directors receiving fees for their services during the year. Non-Executive Directors are paid $5,000 per month. No fees were paid to Non-Executive Directors during FY2025.

Non-Executive Directors are encouraged by the Board to hold shares in the Company (purchased by the Non-Executive Director on market). It is considered good governance for Non-Executive Directors to have a stake in the Company on whose Board he or she sits.

Structure

The remuneration of Non-Executive Directors consists of directors' fees. Non-Executive Directors are entitled to receive retirement benefits and to participate in any incentive programs. There are currently no specific incentive programs.

There are no additional fees for serving on any board committees. Non-Executive Directors can receive additional fees for work conducted for the Company outside the scope of their normal duties subject to being authorised by the Board.

Four Non-Executive Directors were appointed during FY2026, one of whom was re-designated from an Executive Director (2025: nil).

Executive Chairman and Managing Director and Executive Remuneration Structure

Remuneration Policy

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company. Fixed remuneration is not directly linked to the Company's financial performance but is set with regard to market benchmarks to attract and retain executives of the highest calibre. The overall remuneration framework is structured to support the achievement of the Company's strategic objectives and, in turn, create shareholder wealth.

Structure

In determining the level and make-up of executive remuneration, the Board engages external consultants as needed to provide independent advice. No external advice was received during the year.

Remuneration consists of the following key elements:

- Fixed remuneration (base salary and superannuation); and
- Variable remuneration (short and long term incentives).

REMUNERATION REPORT (continued)

The proportion of fixed remuneration and variable remuneration for each executive for the years ended 30 June 2026 and 30 June 2025 is detailed in this report.

Executive Chairman and Managing Director and Executive Remuneration Structure

Fixed Remuneration

Executive contracts of employment do not include any guaranteed base pay increase. Fixed remuneration is reviewed annually by the Board. The process consists of a review of the individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component for executives for the period ended 30 June 2026 and 30 June 2025 is detailed in this report.

Variable Remuneration – Short Term Incentive (STI)

The objective of the STI is to provide sufficient incentive to the Executives to achieve their agreed performance goals. The total potential STI available is set at a level such that the cost to the Group is reasonable in the circumstances. The aggregate of STI payments available for Executives across the Group is subject to the Board's discretion and approval. Payments are usually delivered as a cash bonus. During the year, bonuses of $205,880 were paid to Executives (2025: $210,842).

STI payments granted to each Executive depend on their performance over the preceding year and are based on recommendations from the Executive Chairman following collaboration with the Board. Typically included are measures such as contribution to strategic initiatives, risk management and leadership/team contribution.

Variable Remuneration – Long Term Incentive (LTI)

The objective of the LTI plan is to reward KMP in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to KMP who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive and the responsibilities the Executive assumes in the Group.

LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options are issued in accordance with the Company's Share Option Plan.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time. However, under certain circumstances, including breach of employment conditions, the Directors may cause the options to expire prior to their vesting date.

During the year, no options were granted to Directors and Executives.

REMUNERATION REPORT (continued)

The Group does have a policy to prohibit executives or directors from entering into arrangements to protect the value of unvested LTI awards.

Other Benefits

KMP can receive additional benefits as non-cash benefits as part of the terms and conditions of their appointment. Non-cash benefits typically include car parking and expenses where the Company pays fringe benefits tax on these benefits.

Company Performance and the Link to Remuneration

Fixed remuneration and STI is not linked to the financial performance of the Company, but based on the ability to attract and retain executives of the highest calibre. The overall remuneration policy framework however is structured in an endeavour to advance/create shareholder wealth.

The Matsa Long Term Incentive Plan typically has no direct financial performance requirements but has specified time restrictions on the exercise of options. The granting of options is in substance a performance incentive which allows executives to share the rewards of the success of the Company. The options have no vesting conditions and they vest immediately on grant date.

During the year, no options were issued to Directors and Executives.

Service Agreements

It is the Board's policy that service contracts are entered into with all KMP and that these contracts have no termination date.

Mr Paul Poli, Executive Chairman, has a contract of employment with the Company. Mr Poli is entitled to receive a salary of $375,000 plus statutory superannuation. This contract is for an unlimited term and is capable of termination by Mr Poli on one month's notice. The Group has the right to terminate the employment contract by giving Mr Poli six months' pay in lieu of notice.

Mr Pascal Blampain, Technical Director, had a contract of employment with the Company. Mr Blampain receives a salary of $275,000 plus statutory superannuation. This contract is for an unlimited term and is capable of termination on three month's notice. The Group retains the right to terminate the contract immediately, by making payment equal to three month's pay in lieu of notice.

Mr Andrew Chapman, Director and Company Secretary, has a contract of part-time employment with the Company from 1 March 2024 (previously on full time employment). Mr Chapman receives a salary of $112,000 (previously received $200,000 on full time employment) plus statutory superannuation. On 29 June 2026 his salary was amended to $84,000 per annum plus $5,000 per month for directors fees. This contract is for an unlimited term and is capable of termination on three month's notice. The Group retains the right to terminate the contract immediately, by making payment equal to three month's pay in lieu of notice.

The table below shows the performance of the Group as measured by share price.

As at 30 June	2026	2025	2024	2023	2022
Closing share price	$0.062	$0.067	$0.025	$0.036	$0.043
Net comprehensive income (loss) per year ended	(40,804,249)	1,431,049	(4,603,386)	(818,647)	(6,028,025)

REMUNERATION REPORT (continued)

2026	Short Term Benefits			Post-employment Benefits			
Key Management Person	**Salary & Fees $**	**Other $**	**Bonus $**	**Superannuation $**	**Total $**	**% Performance Related**	**% of Remuneration that consists of securities**
Directors							
Paul Poli[1]	301,038	8,200	93,750	30,208	433,196	21.64	-
Pascal Blampain[2]	287,154	5,100	63,750	30,208	386,212	16.50	-
Andrew Chapman	112,000	0	48,380	15,060	175,440	27.57	-
Graham Ascough	-	-	-	-	-	-	-
Robert Ryan	-	-	-	-	-	-	-
Leonard Lau	333	-	-	40	373	-	-
Total	700,525	13,300	205,880	75,516	995,221	-	-

[1] Mr Poli is a director and shareholder of Strategic Siam Co Ltd which received payments totalling $72,760 during the year. Strategic Siam provides administration services to Thai entities. Mr Poli receives an internet and travel allowance as part of his terms of employment (disclosed as other short term benefits).

[2] Mr Blampain was a director and shareholder of Thai Breakaway Co Ltd which received payments totalling $41,796 during the year. Thai Breakaway provided geological consultancy services to Thai entities. Mr Blampain also received travel allowance as part of his terms of employment (disclosed as other short term benefits). Mr Blampain resigned from his position as director on the 29th June 2026.

2025	Short Term Benefits			Post-employment Benefits			
Key Management Person	**Salary & Fees $**	**Other $**	**Bonus $**	**Superannuation $**	**Total $**	**% Performance Related**	**% of Remuneration that consists of securities**
Directors							
Paul Poli[1]	287,284	11,750	93,750	29,938	422,722	22.18	-
Pascal Blampain[2]	238,000	7,290	68,750	29,938	343,978	19.99	-
Andrew Chapman	112,000	-	48,342	14,584	174,926	27.64	-
Total	**637,284**	**19,040**	**210,842**	**74,460**	**941,626**	-	-

[1] Mr Poli is a director and shareholder of Strategic Siam Co Ltd which received payments totalling $74,550 during the year. Strategic Siam provides administration services to Thai entities. Mr Poli receives an internet and travel allowance as part of his terms of employment (disclosed as other short term benefits).

[2] Mr Blampain is a director and shareholder of Thai Breakaway Co Ltd which received payments totalling $34,796 during the year. Thai Breakaway provides geological consultancy services to Thai entities. Mr Blampain also receives travel allowance as part of his terms of employment (disclosed as other short term benefits).

REMUNERATION REPORT (continued)

Compensation Options Granted and Vested during the year

During the financial year, no options were issued to the KMP as part of their remuneration.

Option holdings of KMP

2026	Balance 1 July	Granted as remune-ration	Exercised	Net change other	Balance 30 June	Vested & Exercisable	Not Exercisable
	No.	No.	No.	No.	No.	No.	No.
P Poli	6,433,333	-	(1,133,333)	-	5,300,000	5,300,000	-
A Chapman	2,926,712	-	(2,926,712)	-	-	-	-
P Blampain[1]	2,826,666	-	(2,499,999)	(326,667)	-	-	-
G Ascough	-	-	-	-	-	-	-
R Ryan	-	-	-	-	-	-	-
L Lau	-	-	-	-	-	-	-
	12,186,711	-	(6,560,044)	(326,667)	5,300,000	5,300,000	-

[1] P Blampain resigned from his position as director effective 29th June 2026. Movement in Net change relates to the removal of his option holdings from key management personnel disclosure.

2025	Balance 1 July	Granted as remune-ration	Exercised	Net change other*	Balance 30 June	Vested & Exercisable	Not Exercisable
	No.	No.	No.	No.	No.	No.	No.
P Poli	2,800,000	-	-	3,633,333	6,433,333	6,433,333	-
A Chapman	1,833,334	-	-	1,093,378	2,926,712	2,926,712	-
P Blampain	2,166,666	-	-	660,000	2,826,666	2,826,666	-
	6,800,000	-	-	5,386,711	12,186,711	12,186,711	-

*Net change other refers to expiry of options during the year.

Shareholdings of KMP

2026	Balance 1 July	Granted as remuneration	Options exercised	Net change other*	Balance 30 June
	No.	No.	No.	No.	No.
P Poli	16,500,000	-	1,133,333	-	17,633,333
A Chapman	1,266,667	-	2,926,712	(873,379)	3,320,000
P Blampain[1]	1,633,333	-	2,499,999	(4,133,332)	-
G Ascough	-	-	-	-	-
R Ryan	-	-	-	-	-
L Lau	-	-	-	-	-
	19,400,000	-	6,560,044	(5,006,711)	20,953,333

*Net change other refers to share placement participation during the year.

[1] P Blampain resigned effective 29th June 2026. 1,500,000 shares included in Other Changes represents Mr Blampain's on market sale. 2,633,332 shares relates to the removal of his shareholding from the key management personnel disclosure.

REMUNERATION REPORT (continued)

2025	Balance 1 July No.	Granted as remuneration No.	Options exercised No.	Net change other** No.	Balance on resignation No.	Balance 30 June No.
P Poli	15,500,000	-	-	1,000,000	-	16,500,000
A Chapman	1,266,667	-	-	-	-	1,266,667
P Blampain	633,333	-	-	1,000,000	-	1,633,333
	17,400,000	-	-	2,000,000	-	19,400,000

*Net change other refers to share placement participation during the year.

Other transactions and balances with Key Management Personnel

(a) P Poli is a Director of Bulletin Resources Limited. The Group has an agreement with Bulletin to provide accounting, technical and administrative services on an arms-length basis. In the current year $97,198 has been charged to Bulletin for these services (2025: $95,150).

At 30 June 2026 there was no outstanding balance (2025: $17,559) receivable from Bulletin.

(b) P Poli is a director and controlling shareholder of West-Sure Group Pty Ltd which the Group sub-lets storage space from. In the current year $8,755 has been charged to the Group for this service (2025: $3,185).

At 30 June 2026, there was an outstanding balance of $876 (2025: $1,752) payable to West-Sure.

(c) P Poli is a director and controlling shareholder of WA Fleet Systems Pty Ltd which the Group hire light vehicles from for its Devon Pit Gold Project. In the current year $497,785 has been charged to the Group for this service (2025: 30,963).

At 30 June 2026, there was an outstanding balance of $59,999 (2025: 34,059) payable to WA Fleet.

(d) R Ryan is an employee of Boomerang Mining Capital Pty Ltd which the Group obtains mining consultation services from. In the current year $533 has been charged to the Group for this service.

At 30 June 2026, there was no outstanding balance payable to Boomerang Mining Capital Pty Ltd.

There were no loans made to KMP and their related parties during the financial year and no outstanding loan balances as at the date of this report.

End of Audited Remuneration Report

INDEMNIFYING OFFICERS

The Company's Constitution provides that, subject to and so far as permitted by the *Corporations Act 2001*, the Company must, to the extent the person is not otherwise indemnified, indemnify every officer of the Company out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer.

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and Officers' liability. The policy indemnifies all Directors and Officers of the Company and its controlled entities against certain liabilities. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium. The Directors have not included details of the nature of the premium paid in respect of Directors' and Officers' liability as such disclosure is prohibited under the terms of the contract.

INDEMNIFYING AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Horizon Nexus (WA) Audit Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Horizon Nexus (WA) Audit Pty Ltd during and/or since the year ended 30 June 2026.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the dollar.

CORPORATE GOVERNANCE

In recognising the needs for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance statement is available on the Company's website at:

http://www.matsa.com.au/company/corporate-governance/

MATSA RESOURCES LIMITED

DIRECTORS' REPORT

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence as the nature of the services provided did not compromise the general principles relating to auditor independence.

The following fees for non-audit services were paid/payable to the external auditors, or by related practices of the external auditors, during the year ended 30 June 2026:

Tax return preparation $7,200

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2026 has been received and can be found on page 42.

Signed in accordance with a resolution of the Board of Directors.

Paul Poli
Executive Chairman
Dated this 16th day of October 2026

Horizon Nexus Partners
Horizon Nexus (WA) Audit Pty Ltd (ACN 145 447 105)
Level 4, 88 William Street, Perth WA 6000 | GPO Box 2570, Perth WA 6001
horizonnp.com.au

To the Board of Directors of Matsa Resources Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the audit of the consolidated financial statements of Matsa Resources Limited for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Horizon Nexus (WA) Audit Pty Ltd

Horizon Nexus (WA) Audit Pty Ltd

Michael Fay

Michael Fay
Director

Perth, Western Australia
Date: 16 October 2026

MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Revenue		48,338,326	-
Mining operations	5(d)	(81,117,308)	-
Amortisation and depreciation	5(e)	(4,535,370)	-
		(37,314,352)	-
Other income	5(a)	5,535,963	6,052,581
Net gain/(loss) on sale of fixed assets		(141,340)	9,700
Net gain/(loss) on sale of financial assets		-	1,914
Depreciation expense	5(e)	(109,158)	(181,003)
Salaries and employment benefits expenses	5(f)	(1,680,036)	(1,474,169)
Exploration and evaluation expense written-off/provided for	10	(30,650)	(305,299)
Care and maintenance		-	(559,511)
Administration and other expenses	5(f)	(2,447,217)	(1,401,808)
Share based payments expense	26	-	-
Results from operating activities		(36,186,790)	2,142,405
Finance income	5(b)	149,434	2,929
Finance costs	5(c)	(3,361,547)	(714,285)
Net finance cost		(3,212,113)	(711,356)
(Loss)/profit before income tax expense		(39,398,903)	1,431,049
Income tax expense	6	-	-
Net (loss)/profit for the year		(39,398,903)	1,431,049

The accompanying notes form part of consolidated financial statements.

MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Net (loss)/profit for the year		(39,398,903)	1,431,049
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(39,398,903)	1,431,049
(Loss)/profit for the year is attributable to:			
Owners of the Company		(39,398,903)	1,431,049
Non-controlling interest		-	-
		(39,398,903)	1,431,049
Total comprehensive (loss)/profit for the year is attributable to:			
Owners of the Company		(39,398,903)	1,431,049
Non-controlling interest		-	-
		(39,398,903)	1,431,049
Earnings per share:			
Basic earnings/(loss) per share attributable to ordinary equity holders of the Company (cents per share)	21	(4.36)	0.22
Earnings per share:			
Diluted earnings/(loss) per share attributable to ordinary equity holders of the Company (cents per share)	21	(4.36)	0.22

The accompanying notes form part of these consolidated financial statements.

MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	2026 $	2025 $
Current assets			
Cash and cash equivalents	24	6,238,857	6,912,672
Trade and other receivables	7	452,123	512,124
Inventory	8	6,834,719	-
Other assets	9	370,338	73,351
Total current assets		13,896,037	7,498,147
Non-current assets			
Other assets	9	287,363	287,363
Exploration and evaluation assets	10	22,629,895	19,984,878
Mine properties	12	4,463,648	4,962,318
Property, plant and equipment	11	468,993	301,462
Right-of-use assets	13	38,481	96,920
Total non-current assets		27,888,380	25,632,941
Total assets		41,784,417	33,131,088
Current liabilities			
Trade and other payables	14	15,585,710	3,174,916
Borrowings	15	18,185,979	4,988,571
Embedded derivative	17	912,800	-
Lease liabilities	13	36,150	61,872
Provisions	16	760,102	495,238
Total current liabilities		35,480,741	8,720,597
Non-current liabilities			
Borrowings	15	-	869,460
Lease liabilities	13	-	37,162
Provisions	16	7,100,845	2,965,965
Total non-current liabilities		7,100,845	3,872,587
Total liabilities		42,581,586	12,593,184
Net assets		(797,169)	20,537,904
Equity			
Issued capital	18	91,133,590	74,969,275
Reserves	19	12,834,961	10,935,446
Accumulated losses	20	(104,844,408)	(65,445,505)
Total equity attributable to equity holders of the Company		(875,857)	20,459,216
Non-controlling interests		78,688	78,688
Total equity		(797,169)	20,537,904

The accompanying notes form part of these consolidated financial statements.

MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

	Issued Capital Ordinary $	Accumulated Losses $	Equity Settled Benefits Reserve $	Total $	Non-controlling interest $	Total $
Balance at 1 July 2024	69,483,957	(66,876,554)	10,381,132	12,988,535	78,688	13,067,223
Comprehensive income/(loss) for the year	-	1,431,049	-	1,431,049	-	1,431,049
Total comprehensive income/(loss) for the year	-	1,431,049	-	1,431,049	-	1,431,049
Transactions with owners recorded directly in equity						
Issue of share capital	5,998,284	-	-	5,998,284	-	5,998,284
Issue of options	-	-	260,036	260,036	-	260,036
Share issue costs	(512,966)	-	(16,994)	(529,960)	-	(529,960)
Share based payment	-	-	311,272	311,272	-	311,272
Balance at 30 June 2025	74,969,275	(65,445,505)	10,935,446	20,459,216	78,688	20,537,904
Balance at 1 July 2025	74,969,275	(65,445,505)	10,935,446	20,459,216	78,688	20,537,904
Comprehensive (loss)/income for the year	-	(39,398,903)	-	(39,398,903)	-	(39,398,903)
Total comprehensive (loss)/income for the year	-	(39,398,903)	-	(39,398,903)	-	(39,398,903)
Transactions with owners recorded directly in equity						
Issue of share capital	18,767,282	-	-	18,767,282	-	18,767,282
Issue of options	-	-	1,899,515	1,899,515	-	1,899,515
Share issue costs	(2,602,967)	-	-	(2,602,967)	-	(2,602,967)
Share based payment	-	-	-	-	-	-
Balance at 30 June 2026	91,133,590	(104,844,408)	12,834,961	(875,857)	78,688	(797,169)

The accompanying notes form part of consolidated financial statements.

MATSA RESOURCES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		48,338,326	5,311,761
Other income		3,338,258	-
R&D tax incentive refund		-	725,823
Payments to suppliers and employees		(79,696,617)	(586,236)
Net cash (used in)/provided by operating activities	24	(28,020,033)	5,451,348
Cash flows from investing activities			
Payments for mine development expenditure	12	-	(3,064,363)
Purchase of plant and equipment	11	(1,728,733)	(222,940)
Payments for exploration and evaluation expenditure	10	(2,675,667)	(963,938)
Proceeds from sale of tenements		-	200,000
Proceeds on sale of plant and equipment		1,378,190	9,700
Proceeds on sale of financial assets	9	-	35,064
Payment of security deposits		(3,700)	-
Interest received		149,434	2,929
Net cash used in investing activities		(2,880,476)	(4,003,548)
Cash flows from financing activities			
Proceeds from issue of shares	18	18,767,282	5,677,634
Proceeds from issue of options, net of costs	18	2,000	243,042
Costs of issue of shares	18	(703,452)	(201,694)
Repayment of lease liabilities	24	(66,964)	(51,523)
Repayment of borrowings	24	(1,000,000)	(561,160)
Proceeds from borrowings	24	15,130,540	-
Interest paid		(1,902,712)	(679,267)
Net cash provided by financing activities		30,226,694	4,427,032
Net (decrease)/increase in cash and cash equivalents		(673,815)	5,874,832
Cash and cash equivalents at beginning of financial year		6,912,672	1,037,840
Cash and cash equivalents at end of financial year	24	6,238,857	6,912,672

The accompanying notes form part of these consolidated financial statements.

1. CORPORATE INFORMATION

The consolidated financial statements of Matsa Resources Limited (the "Company" or "Matsa") and its controlled entities (the "Group") for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 16 October 2026.

Matsa Resources Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements have been prepared on the historical cost basis, except for, where applicable, the revaluation of financial assets and liabilities at fair value.

The consolidated financial report is presented in Australian dollars.

Rounding Of Amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the dollar.

(b) Going Concern

The consolidated statement of profit and loss shows that the Group incurred a net loss of $39,398,903 for the year ended 30 June 2026 (2025: profit of $1,431,049) and a cash outflow from operating activities of $28,020,033 during the year ended 30 June 2026 (2025: inflow of $5,451,348) and, as of that date, the Group had $6,238,857 in cash and cash equivalents (2025: $6,912,672) and a working capital deficit of $21,584,704 (2025: $1,222,450) (primarily resulting from trade and other payables of $15,585,710 and borrowings of $18,185,979, both classified as current liabilities).

The consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors have had regard to the fact that based on the matters noted below the Group has, or in the directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this consolidated financial report.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Going Concern (Continued)

In forming this view the directors have taken into consideration the following:

- The Group commenced mining at Devon Pit Gold Mine ("Devon") in July 2025 with mining scheduled into several campaigns ("Campaign"). The first campaign was completed in October 2025 with two further campaigns undertaken in January 2026 and June 2026. Despite mining operations improving over FY2026, the mine has been operating at a loss. In addition, on 9 September 2026 mining at Devon was suspended following a dispute with the Group's mining contractor, Blue Cap Mining Pty Ltd ("BCM") with all amounts then owing to BCM were paid in full on 10 September 2026. For further detail, including BCM's subsequent appointment of Receivers and Managers over certain assets of Matsa Gold Pty Ltd ("MGO") (being the assets associated with Devon only), DGM and MGO subsequently appointing KordaMentha to act as Administrators and a further disputed claim made by BCM, refer to ASX announcement on 14 September 2026 and Note 31 (Events Subsequent to Balance Date) to the consolidated financial statements;
- As a result of the above the Group has prepared cashflow forecasts that cover two key scenarios: a continuation of mining, and a prolonged or permanent suspension.

  Under the first scenario the Group has assumed that a mutually agreeable resolution to the dispute with BCM will occur and the remaining Campaigns will be fully executed. Under the first scenario, the Group is forecasting an improvement in the margins achieved to date resulting in the remaining Campaigns being cashflow positive over the forecast period. The improvement in the margins achieved is based on an expected significantly lower ore to waste ratio and higher gold grades than in the earlier Campaigns.

  As per the ASX announcement on 14 September 2026 and as disclosed in Note 31 (Events Subsequent to Balance Date) to the consolidated financial statements, despite all amounts recorded by the Group as owing to BCM as at 10 September 2026 having been discharged, BCM alleges that it is still owed further amounts including a potential future profit share amount from Devon. Under the second scenario the Group has assumed that any amounts ultimately determined as being payable to BCM as a result of the dispute and/or prolonged or permanent suspension of the Devon mining operation will be consistent with the amounts and timing incorporated into the cashflow forecast. Note however that the Group has not included any amounts for a future profit share liability in the cashflow forecast because in the opinion of the directors the basis on which BCM's profit share component has been calculated is not valid. This is on the basis that under the current mine plan Devon is not expected to generate a profit to which any profit share entitlement would attach, resulting in no profit share amount being payable during the forecast period (refer to Note 22 (Commitments and contingencies) to the consolidated financial statements).

  While there is significant uncertainty as to whether mining continues at Devon or not, the Group, in addition to cash resources available as at the date of this consolidated financial report, expects to be able to generate sufficient additional cash flows by achieving the margins and/or managing costs as forecast in the cashflow forecasts under either scenario to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this consolidated financial report.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Going Concern (Continued)

- On 15 September 2026, the Company executed a deed varying the TOA with AngloGold (originally entered into on 27 February 2025), under which AngloGold agreed to exercise its option early for a fixed purchase price of $55,000,000, replacing the previous formula-based consideration of up to $101,000,000. A deposit of $10,000,000 was received on 25 September 2026 as part-payment of the purchase price, with the balance of $45,000,000 payable at completion, expected within 15 business days of satisfaction of the completion conditions (the "Completion Conditions"). The material Completion Conditions relate to the Group receiving ministerial consent for the transfer of the tenements and obtaining a limited number of third party consents to the assignment of contractual rights linked to the sale assets. At the date of this consolidated financial report all Completion Conditions have been satisfied (refer ASX announcement on 15 October 2026) and hence the balance of $45,000,000 is expected to be received by 4 November 2026;
- The Group's secured debt facility with its major shareholder, Deutsche Balaton was refinanced, increasing the facility from $17,500,000 to $37,500,000 on 10 September 2026, with the repayment date extended from 31 December 2026 to 30 June 2027 (the "Refinanced Facility"). As at the date of this consolidated financial report, the Refinanced Facility had been drawn down to $32,800,000. Furthermore, the Group's additional borrowings of $4,000,000 which were originally due for repayment on 20 December 2026 were repaid in full on 15 September 2026, funded by a new $4,000,000 facility provided by Deutsche Balaton due for repayment on 30 June 2027 (the "Additional Facility"). Consequently, the full amount owing to Deutsche Balaton under the Refinanced Facility and the Additional Facility as at the date of this consolidated financial Report is $37,992,179 including interest and other fees payable;
- Of the total $55,000,000 consideration from AngloGold as noted above, $30,000,000 will be set aside and allocated as part repayment of the Deutsche Balaton Refinanced Facility and Additional Facility debt. The remaining $25,000,000 is therefore available for operational use and has been factored into the cashflow forecasts under both scenarios noted above; and
- Should the Group not continue mining and/or not generate sufficient positive cashflows from continued mining, the Group intends to discharge the balance of the remaining Deutsche Balaton Refinanced Facility and Additional Facility debt by raising additional capital. While there is significant uncertainty regarding the exact timing and quantum of any capital raise, the Group has historically been able to raise significant capital as and when required (including $10,000,000 raised in October 2025 (refer ASX announcement on 1 October 2025) and $3,000,000 raised in January 2025 (refer ASX announcement on 30 January 2025) and hence based on this fact is confident that an amount can be raised in the required timeframe to enable the Group to discharge its liabilities as and when they become due and in particular the balance of the remaining Deutsche Balaton Refinanced Facility and Additional Facility debt.

The directors have concluded that the matters set out above, including resolution of the receivership and voluntary administration of DGM and MGO and the further disputed claim made by BCM, completion of the transaction with AngloGold, and the Group's ability to discharge the Deutsche Balaton Refinanced Facility and Additional Facility debt by 30 June 2027 in full, represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The Group may therefore be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Going Concern (Continued)

Notwithstanding this, the directors believe there are reasonable grounds to expect the Group will be able to continue as a going concern and consider it appropriate to prepare the consolidated financial statements on that basis. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities, that might be necessary should the Group not continue as a going concern.

(c) Changes in Accounting Policies and Disclosures

Since 1 July 2025 the Group has adopted all the Standards and Interpretations mandatory for annual reporting periods beginning on or after 1 July 2025. The adoption of any new and revised standards and interpretations effective from 1 July 2025 has not resulted in any changes to the Group's accounting policies and has had no material effect on the amounts reported to the current or prior period. The Group has not elected to early adopt any new standards or interpretations that are not mandatory effective.

Standards and Interpretations in issue not yet adopted for the year ended 30 June 2026

At 30 June 2026, a number of accounting standards and amendments had been issued but were not yet mandatory for the Group. Management has not early adopted these standards. The most significant forthcoming change is AASB 18 Presentation and Disclosure in Financial Statements, which will modify the presentation of the statement of profit or loss and introduce additional disclosure requirements relating to management-defined performance measures and the aggregation/disaggregation of information. Management is currently assessing the potential impact on the Group's financial statements and related reporting processes. Based on the assessment

performed to date, no other issued but not yet effective standards are expected to have a material impact on the Group's financial position or results of operations.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group") as at 30 June each year.

Control is achieved where the Company has exposure to variable returns from the entity in control and the power to affect those returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

Changes in ownership interest of a subsidiary (without a change in control) are accounted for as a transaction with owners in their capacity as owners.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(f) Segment Reporting

Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill

(g) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with AASB 9 *Financial Instruments* ('AASB 9') either in profit or loss or as a change to other comprehensive income.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Business combinations (Continued)

If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of AASB 9, it is measured in accordance with the appropriate Australian accounting standard.

(h) Foreign currency transactions and balances

(i) Functional and presentation currency

The functional currency of each entity within the Group is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian Dollars which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. All exchange differences in the consolidated financial report are recorded in profit and loss.

(iii) Transactions of subsidiary companies' functional currency to presentation currency

The results of the subsidiaries are translated into Australian Dollars (presentation currency). Income and expenses are translated at the exchange rates at the date of the transactions. Assets and liabilities are translated at the closing exchange rate for each reporting date. Share capital, reserves and accumulated losses are converted at applicable historical rates.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity. On consolidation, exchange differences arising from the translation of the net investment in subsidiaries are taken to the foreign currency translation reserve. If a subsidiary were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in the statement of comprehensive income.

(i) Financial instruments

Non derivative financial instruments

Non derivative financial instruments comprise investments in equity securities, other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Trade and other receivables are recognised at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 to determine any allowances for expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience. The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that the amounts will be received when due.

The Group's financial risk management objectives and policies are set out in Note 26.

Due to the short-term nature of these receivables their carrying value is assumed to approximate their fair value.

Financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group classifies its financial assets as either financial assets at fair value though profit or loss ("FVPL"), fair value though other comprehensive income ("FVOCI") or at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category.

Embedded derivative

Financial liabilities that contain embedded derivative components are assessed upon initial recognition to determine whether those embedded derivatives are required to be separated from the host contract and accounted for as a standalone derivative. Separation is required where the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract, a separate instrument with the same terms would meet the definition of a derivative, and the combined instrument is not measured in its entirety at fair value through profit or loss.

Derivatives are initially measured at fair value and subsequently remeasured at fair value at each reporting date, with changes in fair value recognised in profit or loss. Where an embedded derivative is separated, the host financial liability is accounted for separately in accordance with the Group's accounting policy for financial liabilities.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Group the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Group is reasonably certain to exercise and incorporate the Group's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets ($5,000 or less) are recognised as incurred as an expense in the consolidated income statement. Low value assets comprise computers and items of IT equipment.

(k) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(l) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in the current liabilities on the statement of financial position.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(m) Trade and other receivables

Trade and other receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(n) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

(o) Interests in Joint Ventures

The Group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements.

(p) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment.

Capital work-in-progress is stated at cost and comprises all costs directly attributable to bringing the assets under construction ready to their intended use. Capital work-in-progress is transferred to property, plant and equipment at cost on completion.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset which ranges between 3 and 5 years except for buildings which are depreciated over 20 years.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(q) Exploration, evaluation and development expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is capitalised and carried forward at cost where rights to tenure of the area of interest are current and:

i) it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; or

ii) exploration and evaluation activities are continuing in an area of interest, but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the statement of comprehensive income or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The asset or cash generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

(r) Mine properties and development

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. Accumulated expenditure is amortised over the life of the area of interest to which such costs relate on a production output basis.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Impairment

The carrying value of capitalised mine properties and development expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(s) Trade and other payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obligated to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(t) Rehabilitation costs

The Group is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant clean up at closure.

(u) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received, less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(v) Borrowing costs

Borrowing costs are recognised as an expense when incurred unless they relate to qualifying assets in which case they are capitalised.

(w) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(x) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(y) Share-based payment transactions

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The Group has one plan in place that provides these benefits. It is the Employee Share Option Plan ("ESOP") which provides benefits to all employees including Directors. The scheme has no direct performance requirements. The terms of the share options are as determined by the Board. Where a participant ceases employment prior to the vesting of their share options, the share options are forfeited. Where a participant ceases employment after the vesting of their share options, the share options automatically lapse after one month of ceasing employment unless the Board decides otherwise at its discretion.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black Scholes model. Further details of which are given in Note 27.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of profit or loss and other comprehensive income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period. The charge to the statement of profit or loss and other comprehensive income for the year is the cumulative amount as calculated above less the amounts already charged in previous years. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not the market condition is fulfilled, provided that all other conditions are satisfied.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(y) Share-based payment transactions (Continued)

If a non-vesting condition is within the control of the Group, Company or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(z) Revenue

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expected to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled. The following specific recognition criteria must be met before revenue is recognised:

Gold Sales

The Group recognises revenue when it satisfies a performance obligation by transferring a promised good or service to a customer which occurs when control of goods or services have been transferred to the buyer and the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue from ore sales is brought to account when the control of goods or services have transferred to the buyer and selling prices are known or can be reasonably estimated.

R&D Refund

Revenue is recognised when the rights to receipt of refunds from the Australian Taxation Office for research and development expenditure incurred is established.

Other income

The Group recognises other income when it has satisfied its performance obligations under the relevant agreement, the Group's right to receive consideration is established and the amount of consideration can be reliably measured.

Finance income

Income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(aa) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised income taxes are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(ab) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(ac) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

(ad) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares.

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting estimates and assumptions

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model, using the assumptions as discussed in Note 27. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities in the next annual reporting period but may impact expenses and equity.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being net present value of expected future cash flows of the relevant cash generating unit) and "fair value less costs to sell."

In determining the value in use, future cash flows are based on:

- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and
- future cash costs of production and capital expenditure.

Variations to the expected cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which in turn could impact future financial results.

Impairment of mine properties and mine development

The Group assesses at each reporting date whether there are any indicators of impairment for its mine properties and mine development assets. If any such indicators exist, or when annual impairment testing is required, the recoverable amount of the asset or cash-generating unit (CGU) is estimated.

The determination of recoverable amount requires significant judgement, including the choice of an appropriate discount rate, the estimation of future cash flows, and assumptions regarding the long-term gold price, production profiles, operating costs, rehabilitation obligations and capital expenditure requirements. Changes in these assumptions could result in material adjustments to the carrying value of mine properties and development assets.

In determining the cash flows, management uses life-of-mine plans supported by geological models, reserve and resource estimates prepared by independent experts, and the latest operating and economic forecasts available at reporting date. These plans are inherently uncertain and may change significantly over time as new information becomes available.

As at 30 June 2026, the Group has considered the impairment indicators and determined that no impairment was required in respect of its mine properties and mine development assets.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Mine rehabilitation provision

The Group assesses its mine rehabilitation provision on an annual basis in accordance with the accounting policy stated in Note 2(t). In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of those future costs (largely dependent on the life of mine) and the estimated level of inflation. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

4. SEGMENT REPORTING

Identification of reportable segment

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in small scale mining and mineral exploration in Western Australia and Thailand. The Group considers that it operates in two geographical segments but within the same operating segment. The decision to allocate resources to individual projects is predominantly based on available cash reserves, technical data and the expectation of future metal prices.

The financial information presented in the statement of profit and loss and statement of other comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker. For financial reporting purposes, the Australian and the Thai segments are presented separately.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

4. SEGMENT REPORTING (Continued)

Information about reportable segments

Information relating to each reportable segment is shown below.

	Reportable Segments		
	Australia	**Thailand**	**Total**
2026	**$**	**$**	**$**
Revenue from customers	48,338,326	-	48,338,326
External income	5,535,963	-	5,535,963
Segment revenue	53,874,289	-	53,874,289
Segment profit/(loss) before tax	(38,678,240)	(720,663)	(39,398,903)
Interest Income	149,116	318	149,434
Interest expense	3,361,547	-	3,361,547
Amortisation and depreciation expense	4,615,463	29,065	4,644,528
Segment assets	40,431,251	1,353,166	41,784,417
Capital expenditure	1,728,733	-	1,728,733
Segment liabilities	42,576,577	5,009	42,581,586
2025	**$**	**$**	**$**
External revenues	6,020,479	32,102	6,052,581
Segment revenue	6,020,479	32,102	6,052,581
Segment profit/(loss) before tax	2,009,523	(578,474)	1,431,049
Interest Income	2,479	450	2,929
Interest expense	693,337	20,948	714,285
Depreciation expense	175,258	5,745	181,003
Segment assets	32,083,776	1,015,312	33,099,088
Capital expenditure	222,940	-	222,940
Segment liabilities	12,556,658	4,526	12,561,184

	2026 $	2025 $
5. Income and expenses		
The loss before income tax includes the following income whose disclosure is relevant in explaining the performance of the Group:		
(a) Other income		
R&D tax incentive refund	-	725,823
Option fee (i)	3,000,000	5,000,000
Fair value gain on embedded derivative (Refer Note 17)	2,163,364	-
Other income	372,599	326,758
	5,535,963	6,052,581

(i) On 27 February 2025, the Company executed a Tenement Option Agreement with AngloGold Ashanti Australia Limited ("AngloGold") whereby AngloGold has the option to acquire the majority of the Lake Carey Gold Project for a total cash consideration of up to $101,000,000 (assuming a gold price of $4,500).

The consideration payable under the agreement comprises:

An Option Fee of $8,000,000 (non-refundable once paid), of which $3,000,000 was paid during the year upon satisfaction or waiver of conditions precedent;

A further amount equal to 1.875% of the gold price multiplied by the agreed Resource of 936,000 ounces at the time of exercise, less $6,000,000, a proportion of option fee, payable within 18 months of satisfaction or waiver of conditions precedent (equivalent to approximately $72,975,000 at A$86.81 per ounce assuming a gold price of A$4,500); and

A deferred consideration of up to $20,000,000, based on 1% of the gold price at the time, in respect of additional JORC Resources discovered by AngloGold post-acquisition.

The agreement remains subject to certain conditions, including all necessary approvals required by the ASX or the ASX Listing Rules. ASX has formally advised Matsa that shareholder approval is not required.

On 15 September 2026, the Company executed a deed varying the TOA with AngloGold, under which AngloGold agreed to exercise its option early for a fixed purchase price of $55,000,000. A deposit of $10,000,000 was received on 25 September 2026 as part-payment of the purchase price, with the balance of $45,000,000 payable at completion, expected within 15 business days of satisfaction of the completion conditions.

	2026 $	2025 $
5. Income and expenses (Continued)		
(b) Finance income		
Interest earned	149,434	2,929
(c) Finance cost		
Interest on lease liabilities and borrowings	3,185,358	685,267
Unwinding of discount on rehabilitation provision	176,189	29,018
	3,361,547	714,285
(d) Mining operations expenses		
Devon project	75,595,905	-
Processing	10,952,463	-
Royalties	1,352,321	-
Changes in inventory	(6,783,381)	-
	81,117,308	-
(e) Expenses included in the statement of comprehensive income		
Depreciation and amortisation expenses		
Mine properties amortisation	4,456,772	-
Property plant and equipment	129,317	130,302
Right-of-use assets	58,439	50,701
	4,644,528	181,003
(f) Other expenses		
(i) Employee benefits expense		
Salaries and wages (including bonus)	1,569,565	1,398,657
Superannuation expenses	110,471	75,512
Total employee benefits expense	1,680,036	1,474,169
(ii) Administration and other expenses		
Operating lease rentals	29,789	34,148
Administration expenses	2,417,428	1,367,660
	2,447,217	1,401,808

	2026 $	2025 $
6. Income taxes		
Income tax expense/(benefit) comprises:		
Current tax expense/(income)	-	-
Deferred tax expense/(income)	-	-
	-	-

Income tax recognised in profit or loss

The prima facie income tax expense/(income) on the pre-tax accounting profit/(loss) from operations reconciles to the income tax expense/(income) in the financial statements as follows:

Profit/(loss) for the year	(39,398,903)	1,431,049
Income tax expense calculated at 25% (2025: 25%)	(9,849,726)	357,762
Non-deductible expenses	4,585	-
Assessable income	-	751,867
Non-assessable income	(750,000)	(181,456)
Effect of temporary differences not recognised in current year	11,086,307	(1,530,009)
Effect of differences in tax rate of foreign jurisdiction	36,033	-
Effect of temporary differences that would be recognised directly in equity	(175,863)	(56,670)
Adjustments recognised in the current year in relation to the current tax of previous years	-	658,506
Income tax expense	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% (2025: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.

	2026 $	2025 $
Unrecognised deferred tax assets/(liabilities)		
The following deferred tax assets have not been brought to account:		
Tax losses - revenue	22,244,944	11,779,438
Investments	-	
Temporary differences - exploration	(5,145,584)	(4,443,075)
Section 40-880 expenses	216,965	130,285
Other temporary differences	1,465,366	267,673
	18,781,691	7,734,321

The ability of the Group to utilise unrecognised tax losses will depend on whether the Group meets the statutory requirements for utilising tax losses as and when it generates taxable profit.

As at 30 June 2026, the Company had carried forward revenue losses of $89,123,907 (2025: $47,117,750). These losses remain available indefinitely for offset against future taxable profits of the Company provided certain test criteria for their deductibility are met

	2026 $	2025 $
7. Trade and other receivables		
Current		
Amounts receivable from Australian Taxation Authorities	230,404	369,199
Other receivables	221,719	142,925
	452,123	512,124

	2026 $	2025 $
8. Inventory		
Ore stocks	6,783,381	-
Stores and spares at cost	51,338	-
Total inventories at lower of cost and net realisable value	6,834,719	-

	2026 $	2025 $
9. Other assets		
Current		
Prepayments	370,338	73,351
Other financial assets (ii)	-	-
	370,338	73,351
Non-current		
Deposits held (i)	287,363	287,363
	287,363	287,363

(i) The Company has cash deposits held with the Thailand government with respect to a number of tenement applications in Thailand. Prior to changes in the Thailand Mineral Act (2017), should the applications not be successful the deposits will be refunded in full.

(ii) Movements in other financials assets are as follow:

	2026 $	2025 $
Balance at beginning of year	-	33,150
Additions	-	-
Proceeds from sale (net of transaction cost)	-	(35,064)
Gain/(loss) on sale of financial assets	-	1,914
Balance at end of year	-	-

	2026 $	2025 $
10. Exploration and evaluation assets		
Exploration expenditure capitalised at cost		
-exploration and evaluation phase	22,629,895	19,984,878
	22,629,895	19,984,878
Movements in carrying amounts		
Exploration and evaluation phase		
Balance at beginning of year	19,984,878	21,192,194
Acquisition of tenements (ii)	99,920	-
Exploration and evaluation expenditure incurred	2,575,747	963,938
Transfer to mine development (note 12)	-	(1,865,955)
Expenditure written off/impaired (i)	(30,650)	(305,299)
Transfer from assets held for sale	-	-
Balance at end of year	22,629,895	19,984,878

(i) During the year, the Group surrendered several tenements and exploration costs of $30,650 (2025: $305,299) previously capitalised for these tenements were written off and recognised in the consolidated statement of profit or loss and other comprehensive income. No further impairment was recorded during the year.

(ii) During the year, the Group acquired exploration tenements through the acquisition of Kimberley Exploration Pty Ltd for cash consideration of $43,920 and consideration of $56,000 through the issue of shares. The transaction was accounted for as an asset acquisition. Transaction did not meet the criteria of a business combination in accordance with AASB 3: Business Combinations.

The ultimate recoupment of costs carried forward for exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas. Other than exploration costs written off in the year, the Group did not identify any other triggers of impairment.

	2026 $	2025 $
11. Property, plant and equipment		
Plant and equipment at cost	3,074,807	2,777,958
Accumulated depreciation	(2,605,813)	(2,476,496)
Total property, plant and equipment	468,994	301,462

11. Property, plant and equipment (Continued)

Movements in carrying amounts	Plant and Equipment $	Total $
Consolidated		
Balance 30 June 2024	208,824	208,824
Additions	222,940	222,940
Depreciation expense	(130,302)	(130,302)
Balance 30 June 2025	301,462	301,462
Additions	1,728,733	1,728,733
Disposals	(1,431,885)	(1,431,885)
Depreciation expense	(129,317)	(129,317)
Balance 30 June 2026	468,993	468,993

12. Mine properties

	2026 $	2025 $
Mine development expenditure capitalised at cost (pre-production phase)	4,929,729	4,930,318
Accumulated amortisation	(2,854,303)	-
Total mine development	2,075,426	4,930,318
Rehabilitation asset	3,990,691	32,000
Accumulated amortisation	(1,602,469)	-
Total Rehabilitation asset	2,388,222	32,000
Total mine properties	4,463,648	4,962,318

Movements in carrying amounts

Mine Development		
Balance at beginning of year	4,930,318	-
Mine development expenditure incurred	-	3,064,363
Transfer from exploration and evaluation assets	-	1,865,955
Amortisation	(2,854,303)	-
Other adjustments	(589)	-
Balance at end of year	2,075,426	4,930,318
Rehabilitation asset		
Balance at beginning of year	32,000	-
Recognition of rehabilitation asset	3,990,691	32,000
Amortisation	(1,602,469)	-
Balance at end of year	2,388,222	32,000

13. Right-of-use-assets & lease liabilities

The Group has lease contracts for office premises used in its operations. Leases generally have lease terms between two and four years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right-of-use-assets

Carrying Amount

	Premises	Total
	$	$
Cost	222,282	222,282
Accumulated depreciation	(183,801)	(183,801)
As at 30 June 2026	38,481	38,481

Reconciliation

	Premises	Total
	$	$
As at 1 July 2025	96,920	96,920
Additions	-	-
Depreciation expense	(58,439)	(58,439)
As at 30 June 2026	38,481	38,481

Lease liabilities

Set out below are the carrying amounts of lease liabilities.

Carrying Value 2026

	Premises	Total
	$	$
Current liabilities	36,150	36,150
Non-current liabilities	-	-
As at 30 June 2026	36,150	36,150

Carrying Value 2025

	Premises	Total
	$	$
Current liabilities	61,872	61,872
Non-current liabilities	37,162	37,162
As at 30 June 2025	99,034	99,034

A maturity analysis of future minimum lease payments is presented in Note 26.

13. Right-of-use-assets & lease liabilities (Continued)

Movement for the year

	Premises	Total
	$	$
As at 1 July 2025	99,034	99,034
Additions	-	-
Repayments	(66,964)	(66,964)
Interest	4,080	4,080
As at 30 June 2026	36,150	36,150

	2026	2025
	$	$
14. Trade and other payables		
Unsecured liabilities		
Trade payables	8,393,447	2,144,174
Sundry creditors and accrued expenses	7,192,263	1,030,742
	15,585,710	3,174,916

	2026	2025
	$	$
15. Borrowings		
Current		
Secured liabilities		
- Loan (i)(ii)(iv)	18,190,973	4,988,571
Unsecured liabilities		
- Insurance premium finance	(4,994)	-
	18,185,979	4,988,571
Non-current		
Secured liabilities		
- Deferred services fee (iii)	-	869,460
	-	869,460

(i) **Reconciliation of loan**	2026	2025
	$	$
Balance at beginning of year	5,858,031	5,475,404
Additions	15,130,540	869,460
Repayment	(1,000,000)	(486,833)
Interest capitalised	-	-
Embedded derivative initial recognition	(3,076,164)	-
Effective interest rate finance cost (iv)	1,278,566	-
Balance at end of year	18,190,973	5,858,031

15. Borrowings (Continued)

(i) On 1 December 2022, the Company executed new loan agreements with its existing two independent lenders who have each provided a $2,000,000 facility (the "Finance Facility"). The key terms of the Finance Facility are as follows:

Principal Amount:	$4,000,000
Interest Rate:	12% per annum paid monthly in arrears
Term:	$4,000,000 repayable by 20 December 2026
Security:	The Finance Facility is secured by a mortgage over the Fortitude gold project tenements.
Fee:	Issue of 150,000 fully paid ordinary shares at the commencement date and each anniversary date of the Finance Facility while it remains outstanding.

Following the execution of the AngloGold TOA (further details in respect of the AngloGold TOA are provided in note 5(a)(i), the repayment date under the Finance Facility was amended to be the earlier of Option Termination Date or the Option Completion Date (20 December 2026), being 18 months after the satisfaction of the conditions precedent, which occurred on 20 June 2025. The Finance Facility terms also provided that, had the Option Termination Date occurred prior to 30 November 2025, the original repayment date of 30 November 2025 would have remained applicable.

As the repayment date is contingent upon AngloGold exercising their option under the AngloGold TOA, the Company does not have an unconditional right to defer repayment for at least 12 months after the reporting date, the Finance Facility has been classified as a current borrowing as at 30 June 2026.

(ii) On 28 June 2023, the Company entered into a short-term loan agreement with an existing lender for an additional $750,000 loan advance of which $500,000 was drawn down as at 30 June 2023 (the "Short Term Loan"). The Short Term Loan was fully drawn down on 12 July 2023. The Short Term Loan which was initially repayable by 30 September 2023 was extended for a further three months to 31 December 2023 on 28 September 2023. On 2 October 2023, the Company made a repayment of $250,000. During the year, the repayment date for the remaining $500,000 was extended to 30 June 2025. This was repaid on 1 July 2025.

On 15 December 2023, the Company entered into a short-term loan agreement with an existing lender for a second additional $500,000 loan advance (the "Second Short Term Loan"). During the year, the repayment date for the Second Short Term Loan was extended to 30 June 2025. This was repaid on 1 July 2025.

All other key terms of the Second Short Term Loan include:

Interest Rate:	12% per annum paid monthly in arrears
Security:	The Second Short Term Loan is secured by a mortgage over the Fortitude gold project tenements

A Facility Fee of 150,000 shares was issued to the lenders on or about 20 January 2025.

(iii) On 27 March 2025, the Company executed a binding mining services term sheet with Blue Cap Mining Pty Ltd ("BCM") in respect of the Devon Pit Gold Mine ("Devon"). Under the arrangement, BCM is engaged pursuant to a Mining Services Agreement to provide mining, equipment and personnel, including transport, energy, civil, earthmoving and related services, on an open-book, cost-recovery basis.

15. Borrowings (Continued)

In accordance with the terms, Matsa and BCM have agreed to jointly fund the development of Devon. BCM has agreed to provide deferred payment terms for 50% of the progressive service fees, up to a maximum of $6,000,000, with Matsa funding the remaining balance. The deferred amounts bear interest at a rate of 26% per annum.

Deferred service fees are repayable from positive cash flows generated by Devon. Based on the latest operating cash flow forecast, repayment of the deferred service fees is expected to occur in July 2026. After recovery of all costs, project profits are shared on an 80%/20% basis between Matsa and BCM respectively.

As at 30 June 2026, deferred service fees incurred under the arrangement amounted to $6,000,000 (30 June 2025: $869,460). This balance has been recognised as current borrowing in the financial statements.

(iv) On 12 February 2026, the Company secured a 3 tranche debt facility of up to $17,500,000 ("Debt Facility") with major shareholder, Deutsche Balaton Aktiengesellschaft (“Deutsche Balaton”), to fund the mining of the Devon Pit Gold Mine and general working capital requirements.

The Debt Facility comprises Tranche 1 of $5,000,000, Tranche 2 of $5,000,000 and Tranche 3 of $7,500,000, subject to certain conditions. The Debt Facility bears interest at 25% and is repayable by 31 December 2026, or such later date as agreed between the parties. Early repayment may be made in $2,500,000 instalments.

Repayment may be made at Deutsche Balaton's election in cash or gold bullion, with gold repayments based on the prevailing gold price capped at A$5,750 per ounce.

As at the date of the report, $10M had been drawn down under the Debt Facility.

The Debt Facility was separated into a host debt liability and an embedded derivative on initial recognition. Further details of the embedded derivative, including its subsequent fair value measurement, are disclosed in Note 17.The key inputs used in accounting for the Debt Facility are summarised below:

	Tranche 1	**Tranche 2**
Drawdown	$5,000,000	$5,000,000
Initial embedded derivative	$2,132,486	$943,678
Initial host debt liability	$2,867,514	$4,056,322
Contractual interest rate	25.00%	25.00%
Effective interest rate	113%	70%
Repayment date	31 December 2026	31 December 2026

	2026 $	2025 $
16. Provisions		
Current		
Provision for annual leave	533,409	325,045
Provision for long service leave	226,693	170,193
	760,102	495,238
Non-current		
Provision for mine restoration	7,100,845	2,965,965
	7,100,845	2,965,965

	2026 $	2025 $
Movement in long service leave provision:		
Balance at beginning of year	170,193	201,375
Decrease in provision	56,500	(31,182)
Balance at end of year	226,693	170,193
Movement in provision for mine restoration:		
Balance at beginning of year	2,965,965	2,904,946
Increase in provision(i)	4,134,880	61,019
Balance at end of year	7,100,845	2,965,965

(i) The provision for mine restoration was estimated using the following assumptions:

Key Assumptions	Amount / rate
Base mine closure cost ($)	$4,888,114
Inflation rate (%)	4.35%
Discount rate (%)	3.55%
Expected mine closure date	28 Feb 2027
Basis for recognition	Tonnes moved

	2026 $	2025 $
17. Embedded derivative		
Embedded derivative	912,800	-
	912,800	-
Movements in carrying amounts		
Embedded derivative		
Balance at beginning of year	-	-
Embedded derivative recognised on initial recognition (i)	3,076,164	-
Fair value gain recognised in profit or loss	(2,163,364)	-
Balance at end of year	912,800	-

17. Embedded derivative (Continued)

(i) The embedded derivative arises from the gold bullion repayment option contained within the Deutsche Balaton debt facility (refer Note 15). The embedded derivative was separated from the host debt liability on initial recognition and is subsequently measured at fair value through profit or loss.

The fair value of the embedded derivative at 30 June 2026 was determined using the Black-Scholes option pricing model using the following key valuation inputs:

Key valuation input	Tranche 1	Tranche 2
Repayment amount of borrowing	$6,156,976	$5,781,098
Repayment date	31 December 2026	31 December 2026
Gold price at 30 June 2026	A$5,681/oz	A$5,681/oz
Gold price cap	A$5,750/oz	A$5,750/oz
Remaining term	0.47 years	0.47 years
Expected volatility	27%	27%
Risk-free interest rate	4.413%	4.413%

18. Issued capital	**2026 No.**	**2025 No.**	**2026 $**	**2025 $**
Fully paid ordinary shares	971,152,188	733,460,373	91,133,590	74,969,275
Ordinary shares				
At the beginning of year	733,460,373	550,475,142	74,969,275	69,483,957
Share placements	100,000,000	99,092,918	10,048,896	2,803,200
Share placements	-	82,363,105	-	3,129,948
Shares issued as a facility fee	150,000	150,000	21,000	6,000
Shares issued in lieu of payment	400,000	519,433	56,000	15,583
Exercise of options	137,141,805	859,775	8,641,386	43,553
Transaction costs (i)	-	-	(2,602,967)	(512,966)
At end of year	971,152,178	733,460,373	91,133,590	74,969,275

(ii) During the year, 22,895,719 share options with an exercise price of $0.13 each were issued to FiftyOne Capital Pty Ltd ("51 Capital") as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant. The fair value of the options estimated at $1,899,515 (2025: $311,272) was recognised in equity as share issue costs in the consolidated statement of financial position.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

18. Issued Capital (Continued)

Options

The movement of the options on issue during the financial year is set out below:

Exercise Price	Expiry Date	Balance at beginning of year No.	Issued No.	Exercised No.	Lapsed No.	Balance at end of year No.
$0.08	30/11/2025	15,000,000	-	(11,960,000)	(3,040,000)	-
$0.09	30/11/2025	6,000,000	-	(6,000,000)	-	-
$0.09	30/11/2025	3,000,000	-	-	(3,000,000)	-
$0.07	07/09/2025	31,833,333	-	(31,833,333)	-	-
$0.07	07/09/2025	1,500,000	-	(1,500,000)	-	-
$0.07	01/11/2026	5,000,000	-	-	-	5,000,000
$0.10	01/11/2026	5,000,000	-	-	-	5,000,000
$0.07	31/01/2026	28,823,148	-	(28,389,813)	(433,335)	-
$0.05	30/09/2027	144,157,886	-	(57,458,659)	-	86,699,227
$0.13	30/09/2028	-	22,895,719	-	-	22,895,719
		240,314,367	22,895,719	(137,141,805)	(6,473,335)	119,594,946

19. Reserves

	2026 $	2025 $
Equity settled transaction	12,834,961	10,935,446
	12,834,961	10,935,446
Equity settled transaction reserve		
Balance at beginning of year	10,935,446	10,381,132
Options issued (i)	-	260,036
Option issue costs	-	(16,994)
Share based payment (Note 27)	1,899,515	311,272
Balance at end of year	12,834,961	10,935,446

(i) On 29 October 2024, the Company completed a fully underwritten non-renounceable pro-rata entitlement offer of one unlisted option (Loyalty Option) for every five fully paid ordinary shares in the Company held by eligible shareholders, at an offer price of $0.002 per option raising $260,036 before costs. Each option will be exercisable at $0.05 expiring on or before 30 September 2027.

The equity settled transaction reserve records share-based payment transactions.

20. Accumulated losses

	2026 $	2025 $
Accumulated losses at beginning of year	65,445,505	66,876,554
(Profit)/loss for the year	39,398,903	(1,431,049)
Accumulated losses at end of year	104,844,408	65,445,505

21. Earnings/(loss) per share

	2026 $	2025 $
The (Loss)/earnings and weighted average number of ordinary shares used in the calculation of loss per share are as follows:		
(Loss)/earnings for the year	(39,398,903)	1,431,049
Basic earnings/(loss) per share (cents per share)	(4.36)	0.22
(Loss)/earnings for the year	(39,398,903)	1,431,049
Diluted earnings/(loss) per share (cents per share)	(4.36)	0.22
	No.	**No.**
Weighted average number of ordinary shares	903,269,587	662,382,524

Diluted earnings/(loss) per share
Diluted earnings/(loss) per share has not been calculated as the Company's potential ordinary shares are not considered dilutive and do not increase earnings/(loss) per share.

22. Commitments and contingencies

Exploration and expenditure commitments
In order to maintain the mineral tenements in which the Group is involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure commitment requirement for granted tenements for the next year is $2,196,400 (2025: $2,150,400). This amount has not been provided for in the financial report. These obligations are capable of being varied from time to time. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

Mine development and operating commitments
The mine development and operating costs are determined on a time and cost basis.

Contingencies
As part of the terms of the termination of the Joint Venture Agreement with Lindon Gold Alliance Limited, a net profit share in the Devon Pit Gold Mine to a maximum of $4,000,000 (the "Profit Share") which is payable from future mining operations at (or the sale of) the Devon Pit Gold Mine is granted to Lindon Gold Alliance Limited. There is no immediate cash consideration payable.

O 9 September 2026 mining at Devon was suspended following a dispute with the Group's mining contractor, Blue Cap Mining Pty Ltd ("BCM"). All amounts then owing to BCM were paid in full on 10 September 2026. On 11 September 2026, BCM asserted a further, disputed claim in respect of alleged future profits of the Devon mine and appointed receivers and managers over certain assets of Matsa Gold Pty Ltd ("MGO") and Devon Gold Mining Pty Ltd ("DGM"), both wholly-owned subsidiaries of the Group. MGO and DGM subsequently appointed voluntary administrators. The directors consider the claim by BCM to be without merit and are defending the claim.

At the end of the year, the required terms noted above have not yet been achieved and hence the Profit Share remains contingent.

23. Subsidiaries

	Country of Incorporation	Percentage Owned (%) 2026	2025
Parent Entity			
Matsa Resources Limited	Australia		
Subsidiary			
Matsa Gold Pty Ltd	Australia	100	100
Killaloe Minerals Pty Ltd	Australia	100	100
Kimberley Exploration Pty Ltd*	Australia	100	-
Lennard Shelf Exploration Pty Ltd	Australia	100	100
Red October Gold Pty Ltd	Australia	100	100
Matsa Resources (Aust) Pty Ltd	Australia	100	100
Devon Gold Mining Pty Ltd	Australia	100	100
Cundeelee Pty Ltd	Australia	100	100
Matsa (Thailand) Co Ltd	Thailand	100	100
PVK Mining Loei Co Ltd	Thailand	100	100
Khlong Tabaek Co Ltd	Thailand	95	95
Paisali Mining Co Ltd	Thailand	95	95
Siam Copper Resources Co Ltd	Thailand	100	100
Loei Mining Co Ltd	Thailand	100	100
Azure Circle Co Ltd	Thailand	100	100
Forward Metals Co Ltd	Thailand	100	100
Thai EV Minerals Co Ltd	Thailand	100	100
Thaiwest New Metals Co Ltd	Thailand	100	100

* Acquired 20th Jan 2026.

24. Cash flow information

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

	2026 $	2025 $
Cash and cash equivalents	6,238,857	6,912,672

Reconciliation of loss for year to net cash flows from operating activities

	2026 $	2025 $
(Loss)/profit for the year	(39,398,903)	1,431,049
Non-cash flows in loss from ordinary activities:		
Depreciation	187,756	181,003
Exploration expenditure written off/impaired	30,650	305,299
Net (gain)/loss on disposal of plant and equipment	141,340	(9,700)
Net (gain)/loss on sale of financial assets	-	(1,914)
Net (gain)/loss on embedded derivative	(2,163,364)	-
Unrealised loss on financial assets at fair value	-	-
Interest income classified as investing cash flow	(149,434)	(2,929)
Interest expense classified as financing cash flow	1,906,792	685,267
Effective interest rate expense	1,278,566	-
Rehab asset interest	176,189	-
Amortisation	4,456,772	-
Changes in assets and liabilities:		
(Increase) / Decrease in receivables	(368,814)	33,906
(Increase) / Decrease in inventories	(6,834,719)	-
Increase / (Decrease) in trade creditors and accruals	12,452,273	2,775,822
Increase / (Decrease) in provisions	264,863	53,545
Cash used in operating activities	(28,020,033)	5,451,348

Non-cash investing and financing activities

	2026 $	2025 $
Payments for share issue costs through issuance of options (Note 27)	1,899,515	311,272
	1,899,515	311,272

24. Cash flow information (Continued)

Reconciliation of liabilities arising from financing activities

2026	Lease Liabilities	Borrowings	Total
	$	$	$
Opening balance	99,034	5,858,031	5,957,065
Cash flows	(66,964)	14,130,540	14,063,576
Non-cash changes	4,080	(1,802,592)	(1,798,512)
Closing balance	36,150	18,185,979	18,222,129

2025	Lease Liabilities	Borrowings	Total
	$	$	$
Opening balance	33,679	5,549,731	5,583,410
Cash flows	(51,523)	(561,160)	(612,683)
Non-cash changes	116,878	869,460	986,338
Closing balance	99,034	5,858,031	5,957,065

25. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2025, the parent company of the Group was Matsa Resources Limited.

	Company	
	2026	2025
	$	$
Result of the parent entity		
Profit/(loss) for the year	1,101,161	3,699,498
Other comprehensive gain/(loss)	-	-
Total comprehensive profit/(loss) for the year	1,101,161	3,699,498
Financial position of parent entity at year end		
Current assets	1,486,266	6,342,115
Total assets	37,348,555	21,380,353
Current liabilities	5,657,862	6,895,370
Total liabilities	5,657,862	6,895,370
Total equity of the parent entity comprising of:		
Share capital	91,133,590	74,969,274
Reserves	12,834,961	10,692,404
Accumulated losses	(72,277,858)	(71,176,695)
Total equity	31,690,693	14,484,983

26. Financial instruments

Financial risk management

Overview

This note presents information about the Group's exposure to credit, liquidity and market risks and its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group does not enter into derivative financial instruments for hedging purposes. The Group has an embedded derivative arising from the gold bullion repayment option contained within the Deutsche Balaton debt facility. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash balances at bank, deposits with statutory authorities.

Presently, the Group undertakes exploration and evaluation activities exclusively in Australia and Thailand. At the reporting date there were no significant concentrations of credit risk with the exception of its cash balances at bank.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating of no less than AA rating.

Trade and other receivables

The Group manages its exposure to credit risk by extensive due diligence on the party processing its gold sales.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated Carrying amount	
	2026	2025
	$	$
Trade and other receivables	452,123	512,124
Cash and cash equivalents	6,238,857	6,912,672
Deposits held and other assets	287,363	287,363

26. Financial instruments (Continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

The Group has leased assets financed by way of finance leases and has taken out a premium funding facility over their insurance requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2026

	Weighted average interest rate	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
	%	$	$	$	$	$	$
Trade and other payables	-	15,585,710	15,585,710	14,232,927	1,352,783	-	-
Lease liabilities	6.25	36,150	36,716	36,716	-	-	-
Loan	22.70	18,185,979	22,423,425	15,253,425	7,170,000	-	-
		33,807,839	38,045,851	29,523,068	8,522,783	-	-

30 June 2025

	Weighted average interest rate	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
	%	$	$	$	$	$	$
Trade and other payables	-	3,174,916	3,174,916	3,174,916	-	-	-
Lease liabilities	6.25	99,034	103,680	35,646	31,318	36,716	-
Loan	14.07	5,858,031	6,314,358	5,313,030	113,030	888,298	-
		9,131,981	9,592,954	8,523,592	144,348	925,014	-

26. Financial instruments (Continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on investments and purchases that are denominated in a currency (Thai baht) other than the respective functional currencies of Group entities, which is primarily the Australian dollar.

As at the consolidated statement of financial position date the Group holds the following financial assets or liabilities which are exposed to foreign currency risk.

	Carrying amount	
	2026	2025
	$	$
Other current assets	159,215	130,164
Cash and cash equivalents	387,533	259,446
Other current liabilities	(5,009)	(4,526)

Sensitivity analysis

The Group is exposed to fluctuations in foreign currencies arising from the acquisition of services from time to time in currencies other than the Group's functional currency. A change of 10% in the foreign currency exchange rate at 30 June 2026 would have increased equity by $60,193 (2025: $42,787), an equal change in the opposite direction would have decreased equity by $49,249 (2025: $35,008).

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures. The Group is not exposed to cash flow volatility from interest rate changes on borrowings as the finance leases carry fixed rates of interest.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over 90 day rolling periods or less.

Gold price risk

The Group is exposed to gold price risk arising from the gold bullion repayment option under the Deutsche Balaton funding facility. Where Deutsche Balaton elects the gold bullion repayment or the Australian dollar cash equivalent of the gold bullion repayment, the amount payable is affected by movements in the gold price. The facility includes a cap gold price of A$5,750 per ounce.

26. Financial instruments (Continued)

Profile

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

	Carrying amount	
	2026	2025
	$	$
Fixed rate instruments		
Cash and cash equivalents	50,000	50,000
Lease liabilities	36,150	99,037
Insurance premium finance	-	-
Loan	18,185,979	5,858,031
	18,272,129	6,007,068
Variable rate instruments		
Cash and cash equivalents	6,188,857	6,862,672
	6,188,857	6,862,672

Fair value sensitivity analysis for fixed rate instruments

The Group's fixed rate borrowings are measured at amortised cost and therefore changes in market interest rates at the reporting date would not affect profit or loss in respect of these instruments.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as 2024.

	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	$	$	$	$
30 June 2026				
Variable rate instruments	61,889	(61,889)	61,889	(61,889)
30 June 2025				
Variable rate instruments	68,627	(68,627)	68,627	(68,627)

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities approximate fair value. The basis for determining fair values versus carrying value of financial instruments not carried at fair value is described below.

(i) Other receivables, trade and other payables:

Other receivables, trade and other payables are short term in nature. As a result, the carrying amount of these instruments is considered to approximate its fair value.

(ii) Deposits held on tenement applications:

The deposits held with Thai authorities are fully recoverable should the applications not be granted. As a result, the carrying amount is considered to approximate its fair value.

26. Financial instruments (Continued)

Fair value hierarchy

The following table details the financial liabilities measured at fair value by the Group:

	Note	2026 $	2025 $
Embedded derivative liability (Level 3 fair value hierarchy)	17	912,800	-

The embedded derivative liability relates to the gold bullion repayment option contained within the Deutsche Balaton debt facility. The fair value of the embedded derivative has been determined using the Black-Scholes option pricing model. The derivative has been classified as Level 3 within the fair value hierarchy due to the use of significant unobservable inputs in the valuation.

The significant unobservable input used in the valuation was expected volatility of 27%. Further details of the valuation assumptions and a reconciliation of movements in the embedded derivative liability are disclosed in Note 17.

Equity Price Risk

Other Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Investments are managed on an individual basis and material buy and sell decisions are approved by the Board of Directors. The primary goal of the Group's investment strategy is to maximise investment returns.

The Group's investments are solely in equity instruments. These instruments are classified as financial investments and carried at fair value with fair value changes recognised directly in the statement of profit or loss and other comprehensive income.

The following table details the breakdown of the investment assets and liabilities held by the Group:

	Note	2026 $	2025 $
Listed equities (Level 1 fair value hierarchy)	9	-	-

Sensitivity analysis

The Group's equity investments are listed on the Australian Securities Exchange. A 10% increase in stock prices at 30 June 2026 would have increased equity by nil (2025: nil), an equal change in the opposite direction would have decreased equity by an equal but opposite amount.

26. Financial instruments (Continued)

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities and mine development. The Group monitors its debt facility, the majority of which is not repayable until 31 December 2026.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

27. Share-based payments

Share-based payments expense

	2026 $	2025 $
Directors and Executives	-	-
Employee Share Option Plan	-	-
Consultants (i)	1,899,515	311,272
	1,899,515	311,272
Recognised directly in profit and loss	-	-
Recognised directly in equity	1,899,515	311,272
	1,899,515	311,272

During the year, the following options were issued:

(i) 22,895,719 share options with an exercise price of $0.13 each, were issued to FiftyOne Capital Pty Ltd ("51 Capital") as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant. The fair value of the options estimated at $1,899,515 (2025: $311,272) was recognised in equity as share issue costs in the consolidated statement of financial position.

Employee Share Option Plan

The Group has an Employee Share Option Plan (ESOP) for the granting of options to staff members, directors and consultants. A new ESOP was approved by shareholders on 28 November 2022 and adopted. Options issued under the ESOP vest on the grant date.

27. Share-based payments (Continued)

Other relevant terms and conditions applicable to options granted under the ESOP include:

(a) Options issued pursuant to the plan will generally be issued free of charge.

(b) The exercise price of the options shall be as the Directors in their absolute discretion determine, provided the exercise price shall not be less than the weighted average of the last sale price of the Company's shares on ASX at the close of business on each of the 5 business days immediately preceding the date on which the Directors resolve to grant the options.

(c) Subject to the above, the options may be exercised at any time prior to the expiration date from the issue date.

(d) The Directors may limit the total number of options which may be exercised under the plan in any year.

(e) Options with a common expiry date may have a different exercise price and exercise date.

(f) Options shall lapse upon the earlier of:

(i) The expiry of the exercise period; and

(ii) The expiry of three months after the option holder ceases to be an employee by reason of dismissal, resignation or termination of employment, office or services for any reason, except the Directors may resolve that the options shall lapse on other terms they consider appropriate.

(g) Upon exercise the options will be settled in ordinary shares of Matsa Resources Limited.

(a) Summary of options issued under the Employee Share Option Plan

The following table summarises the number (No.) and the weighted average exercise price (WAEP) of, and movements in, share options issued during the year to employees other than to KMP which have been disclosed in the Remuneration Report.

	2026 No.	2026 WAEP $	2025 No.	2025 WAEP $
Outstanding at the beginning of the year	3,000,000	0.09	3,000,000	0.09
Granted	-	-	-	-
Other	-	-	-	-
Lapsed	(3,000,000)	0.09	-	-
Outstanding at year-end	-	-	3,000,000	0.09
Exercisable at year-end	-	-	3,000,000	0.09

The outstanding balance as at 30 June 2026 is represented by the following options over ordinary shares, exercisable upon meeting the above terms and conditions:

- 3,000,000 options with an exercise price of $0.09 each and with an expiry date of 30 November 2025. All have lapsed at balance date.

27. Share-based payments (Continued)

Directors and Executives Options

Directors

No options were issued to Directors during the year ended 30 June 2026 (30 June 2025: nil).

Executives

No options were issued to executives during the year ended 30 June 2026 (30 June 2025: nil).

(b) Summary of options issued to Directors as part of remuneration

(i) The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of share options issued.

	2026 No.	2026 WAEP $	2025 No.	2025 WAEP $
Outstanding at 1 July	5,500,000	0.09	5,500,000	0.09
Granted during the year	-	-	-	-
Exercised	(5,500,000)	0.09	-	-
Expired during the year	-	-	-	-
Outstanding at 30 June	-	-	5,500,000	0.09
Exercisable at 30 June	-	-	5,500,000	0.09

Consultants

During the year, 22,895,719 share options with an exercise price of $0.13 each, were issued to FiftyOne Capital Pty Ltd ("51 Capital") as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant.
The fair value of the options granted to 51 Capital is estimated at the date of grant using a Black Scholes Option Valuation Model, taking into account the terms and conditions upon which the options were granted.

The fair value of the options granted was estimated at the date of grant using the following assumptions:

Grant Date	**9 October 2025**
Number of Share Options	22,895,719
Dividend Yield (%)	-
Expected Volatility (%)	126.32
Risk-free interest rate (%)	3.55
Expected Life (years)	2.98
Exercise Price (cents)	0.13
Fair Value per Option (cents)	0.08
Total Value of Options ($)	1,899,515

The Company has recognised $1,899,515 (2025: $311,272) of share-based payment expense in equity as share issue costs in the condensed consolidated statement of financial position.

28. Key management personnel

Details of key management personnel

The directors and other members of key management personnel of the Group during the financial year were:

Name	Position
Directors	
Paul Poli	Executive Chairman and Managing Director
Pascal Blampain	Executive Director
Andrew Chapman*	Non-Executive Director and Company Secretary
Graham Ascough	Non-Executive Director
Robert Ryan	Non-Executive Director
Leonard Lau	Non-Executive Director

* A Chapman changed designation from Executive Director to Non-Executive Director, effective 29 June 2026.

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report on pages 32 to 39. These transferred disclosures have been audited.

Compensation of Key Management Personnel

	2026 $	2025 $
Short-term employment benefits	919,705	867,166
Post-employment benefits	75,516	74,460
Termination benefits	-	-
Share-based payments	-	-
	995,221	941,626

The compensation disclosed above represents an allocation of the key management personnel's compensation from the Group in relation to their services rendered to the Group.

Loans to Key Management Personnel

There were no loans to key management personnel during the current or previous financial year and no outstanding loan balances as at the date of this report.

Other transactions and balances with Key Management Personnel

(a) P Poli is a Director of Bulletin Resources Limited. The Group has an agreement with Bulletin to provide accounting, technical and administrative services on an arms-length basis. In the current year $97,198 has been charged to Bulletin for these services (2025: $95,150).

At 30 June 2026 there was no outstanding balance (2025: $17,559) for Bulletin.

(b) P Poli is a director and controlling shareholder of West-Sure Group Pty Ltd which the Group sub-lets storage space from. In the current year $8,755 has been charged to the Group for this service (2025: $3,185).

At 30 June 2026, there was an outstanding balance of $876 (2025: $4,380) payable to West-Sure.

28. Key management personnel (Continued)

(c) P Poli is a director and controlling shareholder of WA Fleet Systems Pty Ltd which the Group hire light vehicles from. In the current year $497,785 has been charged to the Group for this service (2025: 30,963).

At 30 June 2026, there was an outstanding balance of $59,999 (2025: 34,059) payable to WA Fleet.

(d) R Ryan is a director of Boomerang Mining Capital Pty Ltd which the Group obtains mining consultation services from. In the current year $533 has been charged to the Group for this service.

At 30 June 2026, there was no outstanding balance payable to Boomerang Mining Capital Pty Ltd.

Individual directors and executives compensation disclosure

Information regarding individual directors and executives compensation and some equity instruments disclosures as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

No director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

29. Related party transactions

Subsidiaries
Interests in subsidiaries are set out in Note 23.

Key management personnel
Disclosures relating to key management personnel are set out in the Remuneration Report and Note 28.

30. Remuneration of auditors

The auditor of the Group is Horizon Nexus (WA) Audit Pty Ltd.

	2026 $	2025 $
Amounts received or due and receivable by Horizon Nexus (WA) Audit Pty Ltd for an audit or review of the Group.	104,429	84,030
Amounts received or due and receivable by related practices of Horizon Nexus Partners for:		
- tax return preparation	7,200	9,000
	111,629	93,030

31. Events Subsequent to Balance Date

On 9 September 2026, mining operations at the Devon Gold Project were suspended following a dispute with the mining contractor, Blue Cap Mining Pty Ltd ("BCM").

On 10 September 2026, Deutsche Balaton agreed to increase its secured debt facility with the Group from $17,500,000 to $37,500,000 and to extend the repayment date from 31 December 2026 to 30 June 2027. On 10 September 2026, the Group drew down $22,824,387 and paid BCM in full and final satisfaction of amounts then outstanding.

On 11 September 2026, BCM asserted a further, disputed claim in respect of alleged future profits of the Devon mine, which the directors consider to be without merit and are defending, and appointed receivers and managers over certain assets of Matsa Gold Pty Ltd ("MGO") and Devon Gold Mining Pty Ltd ("DGM"), both wholly-owned subsidiaries of the Company. MGO and DGM subsequently appointed voluntary administrators. These appointments do not extend to the Company or its other subsidiaries, which continue to meet their debts as and when they fall due.

On 15 September 2026, the Company's subsidiaries Matsa Gold Pty Ltd and Red October Gold Pty Ltd executed a deed with AngloGold Ashanti Australia Ltd ("AngloGold") varying the Tenements Option Agreement referred to in Note 5(a)(i), under which AngloGold agreed to exercise its option early for a fixed purchase price of $55,000,000 (replacing the previous formula-based consideration of up to $101,000,000), comprising a $10,000,000 deposit and a $45,000,000 balance payable at completion, subject to satisfaction of completion conditions.

Deutsche Balaton also provided the Group with a separate $4,000,000 secured facility, the proceeds of which were used to repay in full and secure the release of security granted in respect of, the Group's other secured borrowings referred to in Note 15(i).

Other than as set out above, no other matter or circumstance has arisen since 30 June 2026 which the directors consider to require disclosure in this report.

MATSA RESOURCES LIMITED

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity Name	Entity Type	Tax Residency	Ownership Interest %
Parent Entity			
Matsa Resources Limited	Body Corporate	Australia*	
Subsidiary			
Matsa Gold Pty Ltd	Body Corporate	Australia*	100
Killaloe Minerals Pty Ltd	Body Corporate	Australia*	100
Kimberley Exploration Pty Ltd	Body Corporate	Australia*	100
Lennard Shelf Exploration Pty Ltd	Body Corporate	Australia*	100
Red October Gold Pty Ltd	Body Corporate	Australia*	100
Matsa Resources (Aust) Pty Ltd	Body Corporate	Australia*	100
Cundeelee Pty Ltd	Body Corporate	Australia*	100
Devon Gold Mining Pty Ltd	Body Corporate	Australia*	100
Matsa (Thailand) Co Ltd	Body Corporate	Thailand	100
PVK Mining Loei Co Ltd	Body Corporate	Thailand	100
Khlong Tabaek Co Ltd	Body Corporate	Thailand	95
Paisali Mining Co Ltd	Body Corporate	Thailand	95
Siam Copper Resources Co Ltd	Body Corporate	Thailand	100
Loei Mining Co Ltd	Body Corporate	Thailand	100
Azure Circle Co Ltd	Body Corporate	Thailand	100
Forward Metals Co Ltd	Body Corporate	Thailand	100
Thai EV Minerals Co Ltd	Body Corporate	Thailand	100
Thaiwest New Metals Co Ltd	Body Corporate	Thailand	100

*Matsa Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

MATSA RESOURCES LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Matsa Resources Limited:

1. the consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:

    (ii) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance, for the financial year ended on that date; and

    (iii) complying with Australian Accounting Standards and *Corporations Regulations 2001*;

    (a) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(e);

    (b) the remuneration disclosures that are contained in page 32 to 39 of the Remuneration Report in the Directors' Report comply with the *Corporations Act 2001*;

    (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

    (d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2026.

Signed in accordance with a resolution of the directors;

Paul Poli
Executive Chairman

Perth, 16 October 2026

Horizon Nexus Partners
Horizon Nexus (WA) Audit Pty Ltd (ACN 145 447 105)
Level 4, 88 William Street, Perth WA 6000 | GPO Box 2570, Perth WA 6001
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INDEPENDENT AUDITOR'S REPORT

To the members of Matsa Resources Limited

Report on the Audit of the Consolidated Financial Report

Opinion

We have audited the consolidated financial report of Matsa Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying consolidated financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the "Code") that are relevant to audits of the consolidated financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (b) to the consolidated financial report, which indicates that the Group generated a net loss of $39,398,903 for the year ended 30 June 2026 (2025: profit of $1,431,049) and a cash outflow from operating activities of $28,020,033 during the year ended 30 June 2026 (2025: inflow of $5,451,348) and, as of that date, the Group had $6,238,857 in cash and cash equivalents (2025: $6,912,672) and a working capital deficit of $21,584,704 (2025: $1,222,450). As stated in Note 2 (b), these events or conditions, along with other matters as set forth in Note 2 (b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial report of the current period. These matters were addressed in the context of our audit of the consolidated financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	
Area of focus	How our audit addressed the area of focus
Inventories Refer also to Note 8 - Inventories Included in the consolidated statement of financial position as at 30 June 2026 is an amount for $6,783,381 (2025: $nil) relating to ore and gold inventory arising from the commencement of the Devon Gold Mining Project in July 2025. In accordance with AASB 102 *Inventories* ("AASB 102") inventories are required to be measured at the lower of cost and net realisable value. In the mining context, the valuation of ore inventories is highly judgmental and relies on assumptions regarding recoverable grade, processing yields, and forecast commodity prices to determine net realisable value. Ore stockpiles are often held in large, open environments where quantities are estimated rather than directly counted. Stockpile surveys rely on volumetric measurements, density factors, and grade models, each of which involves estimation uncertainty. Errors in survey measurements, misclassification of material, or inaccurate density or grade assumptions may lead to inventory quantities not existing as recorded, resulting in a potential material misstatement. This is a key audit matter due to the significant risk involved in the judgment applied in determining the existence and valuation of inventory in accordance with AASB 102.	Our audit procedures included: • Obtaining and checking the year-end inventory valuation workings prepared by management and assessing whether the valuation methodology applied was in accordance with AASB 102; • Assessing the competence, capabilities and objectivity of management's internal expert who prepared the year-end stock quantity report; • Checking and agreeing the inventory quantities as at 30 June 2026 to the stock reports received from management's internal expert; • Checking and agreeing the costs used in the inventory valuation to cost reports obtained from the accounting system; • Checking the mathematical accuracy of the inventory valuation prepared by management; • Checking management's calculation of net realisable value by comparing the commodity prices applied to observable market prices around the reporting date; • Inquiring of management whether there had been any changes during the year in the key assumptions used in the inventory valuation, including recoverable grade, processing recovery rates, production costs and commodity price assumptions used to determine net realisable value under AASB 102;

- Considering events subsequent to year end to determine whether any additional facts or information had become available since the date on which management made its assessment that would affect the inventory valuation as at 30 June 2026; and
- Assessing the appropriateness of the disclosures in the consolidated financial report.

Area of focus	How our audit addressed the area of focus
Derivative Financial Instruments Refer also to Note 15 - Borrowings and Note - 17 Embedded Derivative During the year ended 30 June 2026, Matsa Gold Pty Ltd, a subsidiary of the Company, entered into a 3 tranche debt facility of up to $17,500,000 (the "Debt Facility") with major shareholder, Deutsche Balaton Aktiengesellschaft (“Deutsche Balaton”), to fund the mining of the Devon Pit Gold Mine and general working capital requirements. The Debt Facility comprises Tranche 1 of $5,000,000, Tranche 2 of $5,000,000 and Tranche 3 of $7,500,000, subject to certain conditions. The Debt Facility bears interest at 25% and is repayable by 31 December 2026, or such later date as agreed between the Company and Deutsche Balaton. Early repayment may be made in $2,500,000 instalments. Repayment may be made at Deutsche Balaton's election in cash or gold bullion, with gold repayments based on the prevailing gold price capped at A$5,750 per ounce. As at 30 June 2026, $10,000,000 had been drawn down under the Debt Facility. This is a key audit matter due to the significant risk that the Debt Facility has not been appropriately accounted for in accordance with AASB 9 *Financial Instruments* (“AASB 9”) based	Our audit procedures included: • Checking the key terms of the Debt Facility, including the gold-linked repayment provisions and settlement alternatives, and agreeing these terms to the executed Debt Facility agreement and relevant Board approvals; • Assessing management's analysis of the Debt Facility against the requirements of AASB 9, including whether the gold-linked repayment feature met the definition of an embedded derivative and required bifurcation from the host debt liability; • Evaluating the accounting advice obtained by management regarding the classification, recognition and measurement of the embedded derivative and host debt liability, including consideration of the competence, capabilities and objectivity of management's valuation expert; • Assessing the fair value determination of the embedded derivative, including evaluating the valuation methodology adopted, challenging significant assumptions and inputs used in the valuation model; • Obtaining the amortisation schedules prepared by management for the host debt liability and assessing the appropriateness of the effective interest rate methodology

on the complexity and level of judgement involved in assessing the contractual terms of the Debt Facility, determining whether the gold-linked repayment feature met the definition of an embedded derivative and was not closely related to the host debt and estimating the fair value of the embedded derivative as at inception and 30 June 2026.

and carrying values recognised in the consolidated financial statements;

- Assessing the journal entries recorded to bifurcate the embedded derivative from the host debt liability, including the fair value movements recognised during the year and the finance costs recognised on the host debt liability; and
- Assessing the appropriateness of the disclosures in the consolidated financial report.

Area of focus	How our audit addressed the area of focus
Rehabilitation Provision Refer also to Note 16 - Provisions Included in the consolidated statement of financial position as at 30 June 2026 is a rehabilitation provision of $7,100,845 (June 2025: $2,965,965) in respect of the Group's activities in Devon Gold, Red October and Fortitude North Gold projects. As a consequence of its operations, the Group has an obligation to rehabilitate and restore the disturbances to the environment arising from exploration and evaluation and mining activities to date. The nature of the rehabilitation activities that will be required are governed by local legislative requirements. Estimating the costs associated with these future rehabilitation activities requires judgement and estimation for factors such as the timing of when the rehabilitation works will take place, the extent of the rehabilitation and restoration activities that will be required and inflation rates and discount rates pertinent to the rehabilitation provision calculation. This is a key audit matter and a significant risk because estimating the costs associated with these future rehabilitation activities requires judgement and estimation for factors such as the	Our audit procedures included: • Obtaining management's rehabilitation provision and rehabilitation asset calculations; • Checking the inputs to the model used to calculate the rehabilitation provision; • Assessing the competency, objectivity, and experience of management's external expert who prepared the mine closure plan, which forms the base cost estimate for the rehabilitation provision; • Discussing with management and assessing whether recognition appropriately reflects the extraction of materials from the mine, and agreed the quantities extracted to internal management production reports; • Checking the accuracy and the reasonableness of the assumptions used in the model; • Assessing the appropriateness of the accounting treatment in terms of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*; • Assessing whether the amortisation policy applied to the rehabilitation asset is in accordance with the requirements of AASB 116 *Property, Plant and Equipment*; and

timing of when the rehabilitation works will take place, the extent of the rehabilitation and restoration activities that will be required and inflation rates and discount rates pertinent to the rehabilitation provision calculation.

- Assessing the appropriateness of the disclosures in the consolidated financial report.

Area of focus	How our audit addressed the area of focus
Capitalisation and Carrying Value of Exploration and Evaluation Assets Refer also to Note 10 - Exploration and evaluation assets Included in the consolidated statement of financial position as at 30 June 2026 is capitalised exploration and evaluation assets of $22,629,895 as at 30 June 2026 (30 June 2025: $19,984,878). In accordance with AASB 6 *Exploration and Evaluation of Mineral Resources* ("AASB 6"), exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying value may exceed the recoverable amount. This is a key audit matter due to the significant risk involved in the judgment applied in determining whether: • The exploration and evaluation assets meet the recognition criteria of AASB 6; and • Facts and circumstances exist that suggest that the recoverable amount of the exploration and evaluation assets is in excess of the carrying value.	Our audit procedures included: • Checking that the rights of tenure for the tenements were current as at year end 30 June 2026; • Obtaining an understanding of the progress and status of the projects through Checking Board meeting minutes and ASX announcements, and holding discussions with management, to assess whether substantive exploration and evaluation activities had continued during the year; • Obtaining and assessing management's assessment of the appropriateness of the capitalisation of exploration and evaluation assets against the requirements of AASB 6; • Obtaining an understanding of management's cash flow forecast and assessing the Group's ability to fund its planned exploration activities, including whether sufficient expenditure had been budgeted for the relevant areas of interest to maintain the tenements in good standing; • Assessing whether any facts or circumstances existed at year end that indicated the carrying value of exploration and evaluation assets may exceed their recoverable amount; and • Assessing the appropriateness of the disclosures in the consolidated financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the consolidated financial report and our auditor's report thereon.

Our opinion on the consolidated financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Report

The directors of the Company are responsible for the preparation of:

a) the consolidated financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and *the Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:

i. the consolidated financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 39 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Matsa Resources Limited for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Horizon Nexus (WA) Audit Pty Ltd

Horizon Nexus (WA) Audit Pty Ltd

Michael Fay

Michael Fay

Partner

Perth, Western Australia

Date: 16 October 2026

MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

SHAREHOLDING

Distribution of Shareholders as at 16 September 2026

Range (size of holding)	Number of Holders	Number of Units	%
1 – 1,000	76	7,371	0.00
1,001 – 5,000	98	370,061	0.04
5,001 – 10,000	192	1,554,839	0.16
10,001 – 100,000	908	35,473,792	3.65
100,001 – and over	436	933,786,126	96.15
	1,710	971,192,189	100.00

The number of shareholdings held in less than marketable parcels is 105.

Twenty Largest Registered Shareholders of Fully Paid Ordinary Shares as at 16 September 2025

	Name	No.	%
1	Bulletin Resources Limited	95,750,000	9.86
2	Netwealth Investments Limited <Wrap Services A/C>	93,025,909	9.58
3	Deutsche Balaton Aktiengsellschaft	82,865,128	8.53
4	BNP Paribos Nominees Pty Ltd <Clearstream>	62,803,397	6.47
5	BNP Paribos Nominees Pty Ltd <IB AU Noms Retailclient>	45,176,394	4.65
6	Deutsche Balaton Aktiengsellschaft	44,100,989	4.54
7	Sparta Invest AG	37,699,389	3.88
8	Bell Potter Nominees Ltd <BB Nominees A/C>	35,697,040	3.68
9	BNP Paribas Noms Pty Ltd	29,983,580	3.09
10	BNP Paribas Nominees Pty Ltd <UOBKH R'Miers>	22,320,332	2.30
11	Goldfire Pty Ltd	19,593,670	2.02
12	Patronus Resources Limited	16,121,645	1.66
13	Sparta Invest AG	15,873,210	1.63
14	Delphi Unternehmensberatung Aktiengsellschaft	15,850,000	1.63
15	HSBC Custody Nominees (Australia) Limited	13,765,810	1.42
16	HF Resources Pty Ltd	12,947,000	1.33
17	Newmek Investments Pty Ltd	12,656,037	1.30
18	Mr Paul Poli <P Poli Family A/C)	11,500,000	1.18
19	Citicorp Nominees Pty Limited	7,507,048	0.77
20	Delphi Unternehmensberatung Aktiengsellschaft	6,928,315	0.71
		682,164,893	70.24

MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

Substantial Shareholders

	Fully paid	
Ordinary shareholder	**Number**	**Percentage**
Deutsche Balaton Aktiengsellschaft	126,966,117	13.07%
Bulletin Resources Limited	95,750,000	9.86%
Netwealth Investments Limited <Wrap Services A/C>	93,025,909	9.58%

RESTRICTED SECURITIES

The Company has no restricted securities on issue.

STATEMENT OF UNQUOTED SECURITIES

Number of Options	Number of Holders	Exercise Price	Date of Expiry
5,000,000	1	$0.07	1 November 2026
5,000,000	1	$0.10	1 November 2026
86,659,227	161	$0.05	30 September 2027
22,895,719	1	$0.13	30 September 2028

MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

TABLE OF MINERAL RESOURCES AND MINERAL RESERVES AT 30 JUNE 2026

Mineral Resource Estimates – Consolidated Summary & Annual Comparison

Project	Resource Category	Tonnes ('000)	Au (g/t)	Metal Oz('000)
30 June 2025				
Fortitude	Measured	127	2.2	9
	Indicated	3,021	2.0	190
	Inferred	5,767	1.9	353
Devon	Measured	18	4.4	3
	Indicated	450	5.3	77
	Inferred	940	2.2	66
Red October	Measured	105	8.4	28
	Indicated	608	5.4	105
	Inferred	635	5.4	111
Stockpiles	Inferred	191	1.0	6
Total		**11,862**	**2.5**	**942**
Mining Depletion				
Devon		102	3.4	11
Resource Adjustments				
Devon				-25
30 June 2026				
Fortitude	Measured	127	2.2	9
	Indicated	3,021	2.0	190
	Inferred	5,767	1.9	353
Devon	Measured	149	4.0	19
	Indicated	180	3.7	21
	Inferred	46	2.2	3
Red October	Measured	105	8.4	28
	Indicated	608	5.4	105
	Inferred	635	5.4	111
Total		**11,556**	**2.4**	**904**

Resource Statement Notes

- The geographic region for Gold Mineral Resources is Australia.
- Resource downgrade (-25koz) at Devon following remodelling and extensive grade control level drilling
- Mining depletion of 102kt for 11koz from the Devon Resource
- Figures have been rounded in compliance with the JORC Code (2012). Rounding errors may cause a column to not add up precisely.
- Resources exclude recoveries.
- Resources include reserves.

TABLE OF MINERAL RESOURCES AND MINERAL RESERVES AT 30 JUNE 2026 (continued)

Ore Reserve Estimates – Consolidated Summary & Annual Comparison

(The Ore Reserve estimates are a subset of the Mineral Resource estimates)

Project	Reserve Category	Tonnes ('000)	Au (g/t)	Metal Oz('000)
30 June 2024				
Fortitude	Probable	1,029	1.8	58
Devon Pit	Probable	309	4.6	46
		1,338	**2.4**	**104**
Mining Depletion				
Devon		102	3.4	11
Reserve Adjustments				
Devon Pit				-12
30 June 2025				
Fortitude	Probable	1,029	1.8	58
Devon Pit	Probable	206	3.4	22
Total		**1,235**	**2.1**	**80**

Reserve Statement Notes

- Figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- Adjustments include -11koz through mining depletion, -6koz due to negative mining reconciliation and -6koz from forward plan following GC and model adjustments
- The geographic region for Gold Mineral Resources is Australia.

Summary of Governance Arrangements and Internal Controls

The Mineral Resource and Reserve estimates are reported in accordance with the JORC 2012 Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. The Mineral Resource and Reserve are estimated by suitably qualified employees of Matsa Resources Ltd. Matsa confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resource and Reserve estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements

Competent Persons Statement

Resources

The information in this document that relates to exploration targets, exploration results and Mineral Resources, is based on information compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Pascal Blampain is a full-time employee of Matsa Resources Limited and has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

Reserves

The information in this document that relates to Ore Reserves, is based on information compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Pascal Blampain is a full-time employee of Matsa Resources Limited and has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

MATSA RESOURCES LIMITED

SCHEDULE OF MINING TENEMENTS

Tenement Type and No.	Project	Holder	Status	Share Held
E 28/2600[1]	Lake Rebecca	Matsa Gold Pty Ltd	Live	20%
E 28/2635[1]	Lake Rebecca	Matsa Gold Pty Ltd	Live	20%
E38/2945	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1837	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1863	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1864	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1957	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1958	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1980	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1981	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1796[2]	Lake Carey	Matsa Gold Pty Ltd	Live	90%
E 39/1752	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1770	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1803	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1812	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1819	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1834	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1840	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1889[2]	Lake Carey	Matsa Gold Pty Ltd	Live	90%
E 39/2015	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E39/2128	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/247	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/260	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/267	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/268	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/291	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L39/295	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/1	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/1065	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/1089	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/286	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/709	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/710	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E39/2311	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E39/2327	Lake Carey	Kimberley Exploration Pty Ltd	Live	100%
E39/2328	Lake Carey	Kimberley Exploration Pty Ltd	Live	100%
E39/2329	Lake Carey	Kimberley Exploration Pty Ltd	Live	100%
E 39/1760	Devon	Matsa Gold Pty Ltd	Live	100%
E 39/1232	Devon	Matsa Gold Pty Ltd	Live	100%
L39/222	Devon	Matsa Gold Pty Ltd	Live	100%
L 39/235	Devon	Matsa Gold Pty Ltd	Live	100%
L 39/237	Devon	Matsa Gold Pty Ltd	Live	100%

MATSA RESOURCES LIMITED

SCHEDULE OF MINING TENEMENTS

Tenement Type and No.	Project	Holder	Status	Share Held
M 39/386	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/387	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/500	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/629	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/1077	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/1078	Devon	Matsa Gold Pty Ltd	Live	100%
P 39/6116	Devon	Matsa Gold Pty Ltd	Live	100%
P 39/6117	Devon	Matsa Gold Pty Ltd	Live	100%
L 39/217	Red October	Red October Gold Pty Ltd	Live	100%
L 39/273	Red October	Red October Gold Pty Ltd	Live	100%
M 39/411[4]	Red October	Red October Gold Pty Ltd	Live	100%
M 39/412	Red October	Red October Gold Pty Ltd	Live	100%
M 39/413	Red October	Red October Gold Pty Ltd	Live	100%
M 39/599[4]	Red October	Red October Gold Pty Ltd	Live	100%
M 39/600[4]	Red October	Red October Gold Pty Ltd	Live	100%
M 39/609	Red October	Red October Gold Pty Ltd	Live	100%
M 39/610[4]	Red October	Red October Gold Pty Ltd	Live	100%
M 39/611	Red October	Red October Gold Pty Ltd	Live	100%
M 39/721[4]	Red October	Red October Gold Pty Ltd	Live	100%
E38/3591	Jubilee Well	Matsa Gold Pty Ltd	Live	100%
EPL06/2567[3]	Kanchanaburi	Thaiwest New Metals Co Ltd	Live	100%
EPL09/2567[3]	Kanchanaburi	Thaiwest New Metals Co Ltd	Live	100%
SPL03/2567[3]	Kanchanaburi	Thaiwest New Metals Co Ltd	Live	100%
SPL11/2566[3]	Ratchaburi	PVK Mining Loei Co Ltd	Live	100%
SPL12/2566[3]	Ratchaburi	PVK Mining Loei Co Ltd	Live	100%

All tenements are located in Western Australia unless denoted otherwise.

[1]= 20% held by Matsa
[2]= 90% held by Matsa
[3]= Located in Thailand
[4]= Subject to a Tenement Option Agreement with AngloGold Ashanti Australia Limited

777F
CATERPILLAR

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